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THURSDAY, JUNE 9, 1949



HE STANDS BETWEEN YOU AND LOSS!

Your local Insurance Agent knows his job . . . to fit the best protection to your personal needs. When trouble comes, he's on hand to see that you get prompt satisfaction on every just claim.



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Your insurance Agent looks after your interests, personally. He sees that you are quickly provided with expert legal defense when needed — and that prompt settlement is made on every just claim.



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Your insurance Agent is your protector . . . working in your interest. He helps you select the right kind of protection . . . personally handles every detail if you have a loss. Let him advise you.



HE STANDS BETWEEN YOU AND LOSS!

Your insurance Agent gives you the right kind of insurance before and valuable assistance after a theft occurs. Why not see him?



HE STANDS BETWEEN YOU AND LOSS!

Your insurance Agent provides insurance to meet your needs. Many different types of insurance are written by the Companies he represents and which he believes are particularly worthy of your confidence.

His knowledge of local conditions, his first-hand understanding of your insurance requirements, his availability for immediate service at all times are the cloth from which tailor-made insurance protection programs are cut.

Only with this type of protection can you be certain you are getting the most for your insurance dollar.



HE STANDS BETWEEN YOU AND LOSS!

When you have a loss your insurance Agent is your friend. He knows your problems . . . in presenting your claim he knows what should be done, and how to do it.

As the vital link between you and the insurance company, he is your on-the-spot adviser. His service not only speeds claim settlements, but obtains for you the maximum benefits allowed by the terms and intent of your policy.

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Term Installment Plan Mushrooms in Many Sections

Old Depression Device Springs Up with New Vitality

In the past few months use of plans for installment payment of premiums on the five-year term policy has mushroomed throughout the southeast and is spreading to other territories. As many as 80 companies have filed plans in a single state, including members and non-members of regional fire organizations.

Two types of plans are principally being used, the "installment premium endorsement" and the "annual payment endorsement." Regional organizations are watching developments closely and may assume jurisdiction, since so many of their members feel impelled to defend their business by offering some such plan, once they are faced with the issue in a territory.

Much Activity in Kentucky

The installment idea is particularly lively in Alabama, Florida, Georgia and South Carolina, is moving into North Carolina, and has started with a rush in Kentucky, where, up to a few days ago, 50 companies had filed and were offering the use of an installment program of some kind.

Many underwriters are adopting a plan, apparently, as a defensive measure for meeting competition, but the impression is current that the thing has gone a good deal further than anyone wanted it to do. Certainly the rush to get an installment scheme legalized and into the hands of agents does not seem to have arisen from a sudden and widespread demand on the part of insurance buyers. Rather the impetus has come largely from within the industry. As use of the financing device gained headway in recent weeks, company after company has promptly filed a plan with state insurance departments. In view of the tight insurance market that prevailed for three or more years, it is somewhat astonishing to see companies so apprehensive about the possible loss of business. The idea has acquired real competitive volatility, in a time when most people still are able to pay premiums in advance, or get them financed at the nearest bank or through a premium finance company, several of which have specialized in this field for years.

Eye Discrimination Angle

Spread of the idea across country seems assured. The industry is sensitive to anything that can be criticized on the score of discrimination, and many believe if one state's citizens are offered this way to pay their premiums, those in other states should have equal opportunity.

When the installment premium endorsement idea was introduced in the depression days, many agents opposed it and some state associations passed resolutions and appeared at hearings against it. The charge even was made that the plan discriminated against insured who bought annual policies and paid for them in advance.

Even now agents admit that the installment plan means handling the ac-

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N. C. Commissioner, N.A.I.C. Secretary, Leaves State Post

RALEIGH, N. C. — William P. Hodges, who has resigned as North Carolina insurance commissioner, has been elected comptroller of Continental Life of Washington, D. C. Mr. Hodges is secretary of National Assn. of Insurance Commissioners and the office of the assistant secretary, who is the salaried headquarters man of N.A.I.C., is at Raleigh.

The announcement was made by President McCarthy Downs, who said the directors, on his recommendation, selected Mr. Hodges for the post and that they were "very fortunate to obtain a man of his background and experience to handle the fiscal affairs of the company."

Approved Rate Increase

Mr. Hodges, who had been North Carolina commissioner since 1942 and had served as chief deputy commissioner for six years prior to that, has been the subject of some criticism in the state recently, the state board of education, in particular, protesting his action in approving, without prior warning, or a public hearing, a 25% increase in fire insurance rates on public school buildings. His action on the school rate increase resulted in the legislature this year setting up an act enabling the state to become a self-insurer for public schools, a plan which will be put into operation next month, and providing for public hearings on rate change proposals. The legislature in general gave Mr. Hodges a bad time.

Mr. Hodges' term as commissioner does not expire until Jan. 1, 1953. His successor will be appointed by Gov. Scott, but will be subject to reelection in the general elections in 1950.

Mr. Hodges graduated in law at Wake Forest. He practiced law at Raleigh 1928-1936, then he became executive secretary of the commission on revision of North Carolina estate laws. He became chief deputy commissioner in 1936.

Mr. Hodges has been a popular and valued member of N.A.I.C. He will be missed in the extra-curricular convention activities, as he has been a key member of the N.A.I.C. quartet.

Seven New National Board Committee Chairmen

Seven new committee chairmen have been named by National Board: Ivan Escott, vice-president of Home, actuarial bureau committee; J. C. Hullett, vice-president Hartford Fire, conference committee with other insurance companies; William B. Rearden, executive vice-president of Firemen's, prevention and engineering standards; E. W. Elwell, U. S. manager Royal Exchange, incendiary and arson; H. B. Collamore, president National Fire, maps; John A. North, executive vice-president Phoenix of Hartford, public relations; and Charles W. Makin, executive vice-president of Camden Fire, uniform accounting.

Ill. Fire College Plans

Insurance bureau men are being featured on the program of Illinois Fire college at University of Illinois, June 14-17. Such speakers include Robert F. Hamm of Indiana Rating Bureau; Robert A. Young, National Board, Chicago; John J. Ahern, Illinois Institute of Technology; A. H. Gent, Illinois Inspection Bureau; Emmett Cox, Western Actuarial Bureau; John E. Barman, Missouri Inspection Bureau.

Auto Rate Strife in Mich. Becomes More Intense

The tense automobile rate situation in Michigan became explosive last week when American Automobile put into effect a 25% rate deviation on the physical damage lines. Something in the nature of a rate war has been making up in that state for some time starting with intense competition among State Farm Mutual Automobile, American Farmers Mutual of Chicago and Michigan Farm Bureau. This was followed by the action of a number of the independent companies including Wolverine, American States, Ohio Farmers and Hoosier Casualty in creating a remainder of state territory in western Michigan which resulted in great reductions in both the liability and physical damage lines. This is where State Farm Mutual, Farm Bureau and American Farmers had been particularly aggressive.

When the American Automobile deviation came along, many of the agents of other companies called headquarters to find out how soon National Automobile Underwriters Assn. was going to put new rates into effect and how much of a reduction was contemplated. The indications are that N.A.U.A. will be acting very promptly but there are also indications that the reduction will not, by any means, match that of American Automobile.

Revision of Rates Takes Effect

The strife in the automobile insurance field in Michigan is very intense. The companies are eyeing each other warily and no one knows which way the cat will jump next.

It is understood that the headquarters of Michigan Bureau of Casualty Companies, which has been located at Chicago in the office of Midwestern Independent Statistical Service, is soon to be moved back to Michigan.

Effective June 6 National Bureau of Casualty Underwriters announced a revision of auto B.I. and P.D. rates in Michigan.

For private passenger cars there is an average reduction of 14.3% in B.I. and an average increase of 16.2% in P.D. for commercial cars the B.I. rate is down 13.9% and P.D. up 1.1%.

The Detroit reductions in B.I. and P.D. combined range from \$5 to \$7 while the cuts in Detroit suburban amount to from \$1.50 to \$3. The upper peninsula counties have a reduction running from \$5.50 to \$8.

Flint rates were most sharply increased and now run higher than those existing in Detroit. They are increased from \$8.50 to \$11. The increase for the remainder of the state is \$2.

The companies represented insured approximately 173,000 passenger cars in 1947 and collected \$7,100,000 in premiums for the combined coverages.

Society Directors Nominated

The nominating committee of Insurance Society of New York has put in a slate of seven names for directors to be voted on at the annual meeting June 23. They are: James E. Bragg, manager of the Doremus-Bragg agency of Guardian Life; Richard V. Goodwin, vice-president of Fireman's Fund Indemnity; Arthur F. Lafrentz, president of American Surety; Clarence J. Myers, executive vice-president New York Life; Sinclair T. Skirrow, vice-president of Great American Indemnity; Archibald J. Smith, president of Zweig, Smith & Co., and Henry C. Thorn, marine manager of North America.

Signs of Softening Appear on Fire Insurance Scene

U.&O. Cover Is Slipping —Whisky Insurance Is Now Being Reduced

Signs are developing of a slight softening up in fire insurance and a number of the companies are out aggressively seeking business again. The change actually is almost imperceptible, however, and is accepted more in the nature of a harbinger of a possible further decline than as a matter of immediate distress.

Business interruption insurance is moving downward although the situation here is described as being spotty. There is very little direct U. & O. coverage that is being eliminated completely, but certain lines that have come smack up against what is being referred to as the recession have reduced the U. & O. limits as much as 50%. One of the large brokerage houses makes a very rough estimate that in the U.&O. lines that have been reduced, the decrease averages perhaps 25%.

This softening up in the U.&O. field is due not entirely to the prospect of diminishing earnings on the part of assured, but it seems also to be due to the fact that in many lines there is an excess of plant capacity and that in the event of a loss, a realignment of operations could be worked out so as to hold the business interruption loss to a minimum.

Contingent U.&O. Vulnerable

There have been some complete eliminations of contingent U.&O. covers, some of these having been of very substantial amounts. This may mean that the assembler or other types of assured has enough inventory on hand so as not to fear a shutdown caused by the inability of suppliers to produce; also the assembler may have reason to believe that the supplier in the event of a loss, could make arrangements to continue in production at another location.

Despite the fact that the prospects are for lowered earning this year agents and brokers are counseling assured against rash and impetuous reduction in U.&O. lines. The fact is cited that in 1,800 U.&O. losses that were settled last year the assured was short on cover under coinsurance an average of 33%. Much of that undoubtedly was due to the inability of insured to get all the protection that was needed. Hence on the average, if the same amount of U.&O. cover were carried as last year and earnings should decline 50%, the amount of insurance would be just about correct in the light of the coinsurance requirements.

Check Alternate Facilities

Also when the insured says that he has alternate facilities available to maintain production in the event of fire, the brokers suggest that he make a close study to see whether those facilities actually are as suitable as he thinks they are and how much expense would be involved in utilizing them.

"Moaning" is getting to be popular again and the agent may strike an assured at renewal time who is "moaning" grievously. The tactics here may be to

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Downey's R. I. Action Challenged in Cal. Appeal Court

Show Cause Order Is Entered Against the Commissioner

SAN FRANCISCO—On application of Rhode Island Ins. Co., the district court of appeal here has issued an alternate writ of mandate requiring Commissioner Downey of California to return to Rhode Island the business and property seized by him under an order of the superior court of May 17 forthwith, or to show cause this week why he should not do so.

Rhode Island charged in its petition that all of the facts on which Mr. Downey based his right to seizure of the California assets of the company were known to him for over a year with the exception of the acquisition by Rhode Island of the insurance business of Pioneer Equitable of Indiana on March 21. Rhode Island alleges that the acquisition of Pioneer Equitable was approved by the commissioners of the home states of each of the companies involved — Indiana and Rhode Island. They claim that grave doubt exists as to the soundness of Mr. Downey's judgment in that the commissioners of other states, including the executive committee of National Assn. of Insurance Commissioners, differ with Mr. Downey's opinion.

Loss Claims Not Serviced

The petition alleges that Downey came into possession of only \$45,000 in current unremitted premiums in the hands of agents, whereas on business in force in California, the normal annual losses incurred would exceed \$450,000. They also claim that Mr. Downey is not servicing loss claims and has even requested the company to advance money to handle current business.

The company alleges that it had a suit on file against Mr. Downey to determine the controversy which has been going on between the company and the commissioner for a year. The suit was filed Nov. 18, 1948 but the commissioner failed to appear in it and obtained the order from the superior court under a provision of the insurance code without any notice to the company or an opportunity to be heard.

The company alleges that it is qualified to and doing business in 33 other states, in Canada, Alaska, Puerto Rico and numerous foreign countries and is still doing business. Rhode Island alleges that despite the California commissioner's action, no other commissioner in which the company operates has taken any action against it.

ORDER LEGISLATIVE PROBE

LOS ANGELES — Assemblyman John W. Evans of Los Angeles has introduced into the California legislature a resolution calling for an investigation of the actions of Commissioner Downey in respect to the Rhode Island controversy, although the resolution does not specifically mention the company. It was passed by the committee on rules and the committee on finance and insurance will take up the investigation. The resolution states that Mr. Downey has been charged "with conducting himself in a high-handed and dictatorial manner with regard to the regulation of insurance and with undertaking to act arbitrarily, either in excess of his powers as they are set forth in the insurance code or not in accord with the dictates of good reason or prudence."

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Charge Conn. Agent Used State Post to Influence Business

HARTFORD—Governor Bowles has suspended John T. Dunn, Jr., of Hartford, local agent who is chairman of the state liquor control commission, on charges of "misconduct, material neglect of duty and incompetence in the conduct of his office." A hearing on the charges will be held June 10.

State Police Commissioner Hickey, who made an investigation into Dunn's conduct in office, reported to the governor that the commissioner was using his insurance business to influence liquor permittees. He said that Dunn had 555 insurance policies with 134 liquor outlets, with annual premiums in excess of \$50,000, that he favored permittees who took out insurance with his firm, that he permitted slot machines and gambling devices operated in liquor places, and that he took no disciplinary action against a department inspector who borrowed money from permittees.

A formal set of charges against Dunn was filed by Attorney General Hadden, who will present the evidence against him at the public hearing.

Hadden charged that Dunn had personal business dealings with liquor permittees, "subjecting yourself to conflicting duties and interests." He said the commissioner accepted insurance business which was given to him "because of your office as liquor commissioner, exposing yourself to temptation of acting, and acting, contrary to the best interest of the public."

He went on to say that Dunn, in accepting insurance commissions and "profits from the purchases" made by liquor permittees, acted contrary to the best interests of the state and in violation of his oath as a member of the liquor control commission.

Dunn categorically denied any guilt. He said that of more than 7,862 permittees in the state, fewer than 150 had had any business relationship with his private insurance business. That, he observed, was less than 2%.

Dunn said it was well known he was in the insurance business when former Governor Baldwin appointed him to the liquor control commission in 1945, and that if it had been suggested the appointment required the giving up of his insurance business, he would not have accepted it.

Eric Johnston to Be N.A.I.C. Banquet Speaker

Eric A. Johnston, president of Motion Picture Producers Distributors of America, has accepted an invitation to address the banquet of National Assn. of Insurance Commissioners at Seattle June 30.

Mr. Johnston, who is a past president of U. S. Chamber of Commerce, will be at Seattle to attend a meeting of the directors of New World Life.

Four-County Meeting Set

A four-county local board meeting will be held at Granville, O., June 16. Principal speaker will be Carl A. Gluck of Youngstown, president of Ohio Assn. of Insurance Agents. Delaware, Perry, Licking and Muskingum county agents will attend.

Weeks Ohio President

COLUMBUS—Ohio Assn. of Casualty & Surety Managers, at its annual meeting here elected as president Warren L. Weeks, Century Indemnity, Columbus; first vice-president George E. Lasch, Bankers Indemnity, Cleveland; second vice-president Donald Ryan, Aetna Casualty, Cincinnati; secretary Vincent G. Brown, Hartford Accident, Columbus.

New members of the executive committee are: H. B. McLean, Great American Indemnity; Robert F. Lloyd, Hartford A. & I.; C. W. Swanson, L. & L.; and C. Lloyd Bowers, Massachusetts Bonding.

Insurers' Progress in Germany; Hope Strong for Future

A return to anything like pre-war normal for insurance operations in western Germany depends now upon official ending of the war which would come with the signing of a peace treaty, according to observers who are interested in the insurance business there. Under a peace treaty American companies and those of other countries such as England, would be permitted to do business with German nationals, which now is prohibited.

Even so, American companies alone do a substantial business on American nationals in western Germany. It is estimated that perhaps as much as \$3 million of premiums a year is being transacted on automobile liability alone, since there are approximately 30,000 automobiles belonging to American nationals in the zone, and 5/10/5 coverage is required of Americans. While this is the big end of the business, there is in addition fire and extended coverage, household furnishings, burglary, etc., on Americans' property. The personal property floater has not proved satisfactory because of thefts, and some, if not all, companies have quit writing it in the zone.

Now Can Act as Americans

Only recently the Germans were given the right of action for tort against Americans, in American military courts, something they have not previously been able to do. Auto experience has been only fair in western Germany, and with this change, the underwriters expect the loss ratio to climb.

The insurers register for operation in western Germany. They maintain two bank accounts, one in dollars and the other in deutschemarks. The latter has been stabilized at 30 cents, and this has had a quite beneficial effect on the economy of the zone. As a matter of fact production is back to 80% of pre-war, it is estimated, and the hope of those companies that do business in western Germany is that as time goes on and the peace treaty is signed their opportunities will be greatly enhanced. Once they can do business with German nationals, this should be true. At present German nationals' insurance business is being written by German companies. These seem to be doing well. Germans are thoroughly imbued with the idea of insurance, and the German companies appear to have kept on functioning even with the change in governmental control.

Procedure on Rates

The procedure on automobile liability rates is for the insurers to file rates and policy forms with the military government. So far these have been approved as filed. Presumably if experience gets too much worse on this class, increased rates would be asked by the companies, but it is interesting to note that competition is keen.

Effective Aug. 22, 1949, General MacArthur has decreed that American nationals in Japan must carry automobile liability in limits of 5/10/5. Japanese have no right of action against American nationals for tort, but this may be relaxed as it has been in Germany. The insurers in Japan hope eventually to be able to do business with Japanese nationals. There is still a great deal of petty thievery in Japan, which makes the insurance for classes involving this risk pretty unsatisfactory. There is a considerable metal shortage in Japan and even door handles of automobiles and hub caps disappear, while cigarette lighters and such items are targets.

Insurance Women of Milwaukee will hold a dinner meeting June 20. Mrs. Florence Fox, president, and Mrs. Margaret Nukow, delegates, and Miss Christine Sachs, regional director, will report on the national convention at Miami Beach.

Great Lakes Traffic Is Booming This Season

Intensely Competitive Situation Develops in Grain Cargo Cover

One place where there is no current sign of a slump is in Great Lakes grain and iron ore traffic. The ships are in great demand and the fleet is in full operation. There was less ice trouble than almost ever before, and the grain started moving extremely early. The first shipment out of the Canadian head was April 7 and out of the American head, even earlier than that. There was a lot of pressure to move grain before the iron ore piles had become unfrozen and were ready to be handled. Despite the drop in steel production and current forecasts of even further diminution of activity, there is no slackening in the movement of ore. Perhaps the objective is to build up a surplus.

So far there have been no serious losses. About 50% of the ships are now equipped with radar and this is regarded as a very great safety factor. There are a great many losses that have occurred on the Great Lakes, particularly under fog and ice conditions, that could definitely have been avoided had radar been available.

Competitive Situation Develops

There developed this year an extremely competitive situation on grain cargo insurance. C. W. Sexton & Co. of Minneapolis has developed a London market and they came out early in the season with rates below the U. S. tariff. The American companies retaliated with even lower rates than that, whereas London again undercut and finally the U. S. market went below the second London level. As an example of the net effect of these reductions there can be cited the rate last year from head of the lakes to not below Lake Erie of 7½ cents less 10% as compared with this year's rate of 5 cents less 10% from head of the lakes to not below Lake Ontario. Thus the reduction is more than 33½%.

The situation is disturbing to the established markets and brokers. They feel that the lake business requires an unusual degree of close supervision and prompt attention. They say that over the years, many evils have been corrected on the lakes through U. S. Salvage Assn., which is owned jointly by the steamship lines and the insurance companies. That association has made an exhaustive study of the vessels, conducts periodic inspections, denies certificates to ships that are found to be out of condition. The vessels carry grain only part of the time and at other periods are in the coal and iron ore traffic. Thus they are subject to damage by the loading and unloading equipment in the coal and iron ore traffic. For instance, the edge of a hatch may be bumped and that will create a spot that leaks. Bad tarpaulins are detected, leaky rivets, etc. It is felt that U. S. Salvage Assn. has eliminated many losses and the fact is emphasized that in a period of about 25 years, the lake grain rate has been brought down from about 30 cents to less than 5 cents.

Determined to Hold Business

At any rate, the U. S. market apparently regards the grain trade and the service facilities that are operated in connection with it as such a prize that

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THE GIRARD FIRE AND MARINE INSURANCE COMPANY

ORGANIZED 1853



NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.

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THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

ORGANIZED 1870



MILWAUKEE MECHANICS' INSURANCE COMPANY

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ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA

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THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

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535 Homer Street, Vancouver, B. C.

Tenn. Residential Rates Cut 10-30%

NASHVILLE—Commissioner Allen has announced a 10 to 30% reduction in residential fire insurance rates (buildings and contents) effective July 1.

Commissioner Allen, who took office in January, issued an order to fire companies April 1 to show cause why rates should not be reduced and a meeting of company representatives was held in his office May 11-12, but very few were prepared for the reduction order when it came.

"It was apparent from the beginning that rates were too high on certain types of property," the commissioner stated.

Typical reductions are: Nashville, Class III, brick dwellings, approved roof, 24 to 20 cents per \$100; frame, approved roof, 34 to 28. Memphis, Class II, brick, approved roof, 22 to 18 cents; frame, 40 to 32. Kingsport, Class V, brick, 28 to 22; frame, 40 to 32. The total reduction may be \$2½ million annually, the commissioner said.

Outstanding policies as of July 1 affected by the cuts may cancel pro rata and be rewritten on the basis of the new rates, provided they are rewritten in the same company. They must

also be rewritten in an amount not less than the original amount and for not less than the original term of the policy cancelled.

Commissioner Allen announced a slight increase in rates for windstorm coverage due to excessive losses in the state in recent years. However, this increase does not apply to windstorm where it is included in extended coverage.

Probe Fire Rates in Pa. with Plan for Fall Hearing

HARRISBURG, PA.—Commissioner Malone has met with officials of the Middle Department Rating Bureau and asked them to furnish the department with "statistics to justify rates" now in effect for all classifications of fire insurance in the state.

Malone indicated that he expected to have complete replies within the next few months so that a hearing, if necessary, could be held in September.

The fire rate probe was set off following a request from North America for a 15% reduction in various fire classifications in the three accepted territories of the state. This deviation was permitted by Malone following a hearing.

Survivors Testify As Texas City Suit Moves to Galveston

GALVESTON—A jammed courtroom greeted the opening of the \$200 million Texas City disaster suit here where it was transferred last week after recess at Houston. Increase in the number of spectators was laid to the fact that many were directly involved in the litigation and others were friends or relatives of victims of the April 1947 explosion.

First among the survivors to testify as to his experiences was J. Curtis Trahan, Texas City mayor at the time of the disaster.

Others to take the stand at the behest of the plaintiffs attorneys were a Houston police sergeant, who testified that a "kind of sulphur fume" came from the steamship High Flyer before it exploded April 17, 1947, and E. J. Kinser, Texas City warehouse worker, who stated he had seen deep orange smoke, the same color as the ammonium nitrate fertilizer. However Sgt. J. E. Kent added that due to darkness he was unable to identify the color of the smoke. Kinser also testified that he had noticed bags of fertilizer so hot as to be uncomfortable to handle. In handling the paper bags, he said, they often broke open due to brittleness from heat.

Hartley Bowen, foreman at the Texas City Terminal Railway in 1947, testified that two blasts came when the Grandcamp blew up and that they were only seconds apart.

In addition several other witnesses stated that no one smoked on or near the Grandcamp with the exception of its French crew members.

Immediately after the opening of the trial here the FBI secret report that Agent Maurice Price of Milwaukee had refused to turn over to the court in Houston was delivered under seal with a reply from U. S. District Attorney Brian S. Odom of Houston with a telegram attached to it from Peyton Ford, assistant to the U. S. attorney general.

The telegram advised Mr. Odom that there is no "apparent reason" why the justice department's order on the release of FBI material should be set aside in this instance.

The government's formal reply said that "pursuant to instructions of the attorney general, the report ordered to be produced for the plaintiffs is respectfully declined, but the report is being directed to the court for inspection under seal."

Federal Judge T. M. Kennerly is still presiding in the case.

Mutual Men Do Spade Work on All-Risk Cover

At the recent midyear meeting of National Assn. of Mutual Insurance Agents at Atlantic City, Hugh H. Murray, Jr., of Raleigh, N. C., the president, disclosed that the association had gotten up blueprints for an all risk dwelling policy. The specifications have been submitted to a number of mutual companies and three of the largest, according to Mr. Murray, are perfecting plans to write such cover. He said the plan appears to be acceptable to 17 states, including New York, without changes in regulations or in legislation. He expressed the hope that this type of cover will not only become available for dwellings, but will later be extended to other lines.

John H. Kroll of Washington, treasurer of the association, and Howard W. Legg of Baltimore, were elected directors.

Mr. Legg was one of the speakers at the meeting. He predicted that the regulatory authorities soon will call upon agents for a justification of their commissions by proof of expenses of operation and of the service that is rendered.

R. E. Hill of Chattanooga told of the association's new advertising program under which the Fred W. Lahr advertising agency of Indianapolis has been employed. There will be made available especially designed letterheads, desk blotter ads, newspaper mats, outlines of radio talks and commercials, direct mail pamphlets, etc. All advertising will feature the new association emblem of an armored knight with word-cross on shield reading, "Agent's Service" and caption below: "Defender of select property owners."

Fetzer Speaks at South Bend

SOUTH BEND, IND.—Wade Fetzer, Jr., president of W. A. Alexander & Co., Chicago, spoke on "Letters for Freedom" at a special regional district meeting sponsored by South Bend-Mishawaka Assn. of Insurance Agents.

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Worthwhile Things Deserve The Best In Protection



Rogues' Gallery or Family Portrait?

Who can tell when a friendly face shields a dishonest mind? Reports show that the average embezzler has worked for seven years as a "trusted employee."

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VA Doesn't Keep Cover on Foreclosed Properties

WASHINGTON—Because the veterans administration says it has not the funds to set up an organization to handle insurance on property foreclosed to VA under its GI home loan guaranty program, it will not extend such insurance, although it accepts assignments of the cover. This policy is regarded as in line with general federal government policy of self-insuring.

However, it appears that agents and/or companies stand to lose out, especially on farm properties. For example, where a veteran has bought term cover and given notes for subsequent premiums, if VA forecloses it takes the position it has nothing to do with the matter of the notes. The veteran is financially responsible in such a case, but insurance people say it would be unpopular to sue the veteran.

VA accepts assignment of existing insurance on foreclosed property, the agency has advised industry representatives. However, VA does not renew or extend such insurance because it has not the money, it is not in that kind of insurance business and the government generally prefers to self-insure. If a veteran whose home is foreclosed wishes to cancel his policy and get a premium refund, that is up to the lender, T. J. Sweeney, assistant director of VA's loan guaranty service, states.

VA cites a ruling of the U. S. comptroller general years ago, which questioned the government paying insurance on its own property, when such operation involves expense or profit to the private carrier or profit to the latter. Emphasis is laid on the profit angle.

The VA-guaranteed loan program covers veterans' home or farm purchase and embarking in business. Since 1944, there have been 87,000 defaults under the program, of which over 51,000 were "cured" before foreclosure. Of the 87,000, some 68,000 were defaults on small homes, and 43,000 of these latter were cured before foreclosure. Last February, there were 25,000 defaults pending, in 11,100 of which cases VA had claims.

VA says it expects to have to take over only very few of these properties. It states it holds foreclosed properties only a very short time, from one day up. VA has very little concentration of value in connection with its loan guarantees, except where a whole real estate subdivision may possibly be set aside for veterans' homes, or a big housing project may be involved.

Under the circumstances, VA says it can could not afford to set up an organization to handle extension of insurance on foreclosed properties.

Maurice Herndon, Washington representative of National Assn. of Insurance Agents, has discussed the problem. To observers here it appears unlikely that VA will do anything more about it.

Mr. Sweeney says VA will not renew or write coverage on real estate it takes over—whether fire, E.C., windstorm, or what not—and has not paid any public liability claim. He says "VA prefers to assume the risk" to writing or extending insurance, and that on the average, the unmaturing portion of policies on foreclosed properties does not exceed six months.

When VA comes to disposing of foreclosed property, Mr. Sweeney says if it takes back a mortgage or loan on a sale contract, then the purchaser is required to furnish insurance for VA protection, but through private commercial channels.

C. W. Sexton Additions

John B. Bean has become associated with Charles W. Sexton Co. in the production department at Minneapolis; Joseph M. Syme in the engineering department there and Robert E. McDonnell in the underwriting department at St. Paul.

Atlantic Mutual Names Goble Cleveland Manager

Thomas S. Goble has been appointed manager at Cleveland for Atlantic Mutual. Mr. Goble has been at Detroit for Atlantic since 1947. Prior to that he had been with Royal in Detroit, and more recently was with the Detroit office of Potomac.

A.F.I.A. Men on the Go

W. F. Cushman, fire manager at the head office of American Foreign Insurance Assn., is in Sydney to relieve R. A.

Cameron, Australasian manager, who is on six months leave. Mr. Cameron will visit Europe and the United States. Nicholas Ottens, in charge of South African business, Johannesburg, is in New York for an indefinite stay.

A. C. Gale, manager at Bombay, will be at the head office a couple of months, arriving the middle of June.

Earthquake Cover Sought

Following the Seattle earthquake of a few weeks ago, there has been a sprinkling of new earthquake coverage written. Orders have come in from over the country, according to underwriters,

and at least one large chain of stores purchased the coverage last week. Because of the infrequency of the occurrence, it is not always remembered that there are several points where severe earthquake damage has been done.

Await N.A.U.A. Filings

The only places where National Automobile Underwriters Assn. new rate filings have been made are on the Pacific Coast. The filings are being prepared for official presentation in other states throughout the country very shortly.



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W. A. Alexander Goes on Air for Private Enterprise

Starting June 12, at 8:45 p.m., W. A. Alexander & Co. of Chicago, will sponsor a weekly radio program over WGN highlighting the private enterprise system, entitled "Americans, Speak Up."

Bill Slater, the announcer, each week will present a nationally prominent figure to discuss advantages of private as against government ownership. Weekly prizes will be offered for short essays on the subject.

Among those to be presented will be: E. V. Rickenbacker, Lt. Gen. Leslie R. Groves, Dr. George S. Benson, president Harding College; Senator Harry F. Byrd, Rev. Norman Vincent Peale, Emil Schram, president New York Stock Exchange; U. S. Secretary of Commerce Charles Sawyer; Gene Tunney, president Stamford Bldg. Co.; Ernest T. Weir, chairman National Steel Corp.; Robert W. Watson, chairman of executive committee National Assn. of Manufacturers, and motion picture stars, Robert Montgomery and Ginger Rogers.

The program is transcribed and is available for exclusive local sponsorships through its producers, America's Future, Inc. W. A. Alexander & Co. will make the various program recordings available to local business, community, social or educational groups, subject to schedule and at no cost.

Wade Fetzter, Jr., president of W. A. Alexander & Co., urged other insurance agents to consider programs of this type.

Mr. Fetzter points out that this program is available for local sponsorship

by any type of organization, and he feels that it is particularly suitable for insurance agents and local boards as a means for tying in with the Letters for Freedom campaign that is officially sponsored by National Assn. of Insurance Agents at the instance of Mr. Fetzter who outlined the program during the midyear meeting of the national board of state directors at San Francisco. Those interested in securing local sponsorship should write to America's Future, Inc., 210 East 43rd street, New York City.

Schiff, Terhune Changes

The Schiff, Terhune & Co. brokerage firm, New York City, has realigned its executive organization. An executive committee has been set up to report to President William Schiff. It will be responsible for all operational activities. J. C. Griffin, Jr., David Sheckley, F. P. Wolf, F. E. Schiff and William Schiff, Jr., are members, with H. B. Witkin, secretary. Two new staff groups, customer relations and business promotions, will report to the executive committee. Frederick Wolf will be responsible to the committee as director of operations.

Cutting Agency's 75th

The L. M. Cutting & Co. agency of Stockton, Cal., has marked its 75th anniversary of representation of North British & Mercantile, and that company believes that this may be its oldest agency in existence today in this country. Francis Cutting is head of the firm and has been with it since 1885. The agency was founded by his father in 1860.

At the time of the San Francisco disaster, North British was unable to com-

municate with its San Francisco office directly, but instead telegraphed to the Cuttings to relay the instructions that had been received by cable from London. Francis Cutting went from Stockton to San Francisco to deliver the message, which he finally succeeded in doing at Oakland, where a temporary company office had been organized.

Wins High Court Issue

The U. S. Supreme Court has given a decision for Royal in a controversy with the city of Morgantown, W. Va., over loss by fire or lightning in the amount of \$22,000 at the Morgantown municipal airport Aug. 20, 1947. Royal alleged that the city had previously carried only windstorm insurance on the hangar, that the policy currently in force was intended by the parties to be a renewal of the prior policy, that the premium paid was the same as had been paid for windstorm insurance and the policy had been written as a fire contract through the inadvertence of both parties.

The city appealed a ruling setting the case for trial to the court without a jury but the appeal was dismissed by the court of appeals. U. S. Supreme Court decided that the dismissal was correct.

Chubb Veterans Gather

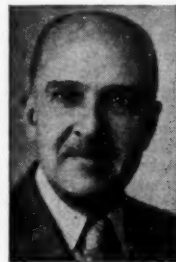
Chubb & Son inaugurated its new Quarter Century Club with a dinner which was attended by 75. Hendon Chubb was the principal speaker. Club members wear a lapel insignia which is a gold and enamel replica of the flag "C" in the international code.

John M. Flynn is president, John M. LeRoy, vice-president; Mrs. S. J. Purvis, secretary and Henry Bechtold, treasurer.

J. P. Lassiter Is New President of Florida Agents

Annual Convention at Jacksonville Brings Attendance of More Than 300

J. Paul Lassiter of Leesburg was elected president of Florida Assn. of Insurance Agents at the annual meet-



A. C. Eifer



C. M. Cubbage

ing at Jacksonville. He succeeds Cooper M. Cubbage of Jacksonville.

First vice-president is S. W. Johnston, Ft. Myers; second vice-president, Glen C. Evans of Tampa; secretary, A. C. Eifer, Tampa; national state director, L. P. McCord of Jacksonville, and the newly elected directors are Finley Cannon, Jr., of Gainesville; R. S. McKay, Tampa and C. R. Dorsey, West Palm Beach.

The installation of new officers was conducted by Hunter Brown of Pensacola, past president of National Assn. of Insurance Agents. Mr. Cubbage was presented with an honorary life membership in the Insurance Society of University of Florida.

Gridiron Skit Staged

At the banquet a humorous skit was staged, the author being Dr. Laurence Scott of Ocala, chairman of the public relations committee. This was done in gridiron club style.

Commissioner Larson of Florida spoke at the banquet. Charles P. Butler, executive vice-president of N.A.I.A., in his address declared there is a commission war in progress and declared that stabilization is needed "to show that we are able to run our own business." He said that established agents do not object to newcomers in the field, but they do insist that the newcomers should abide by the same rules and regulations that the established man works under.

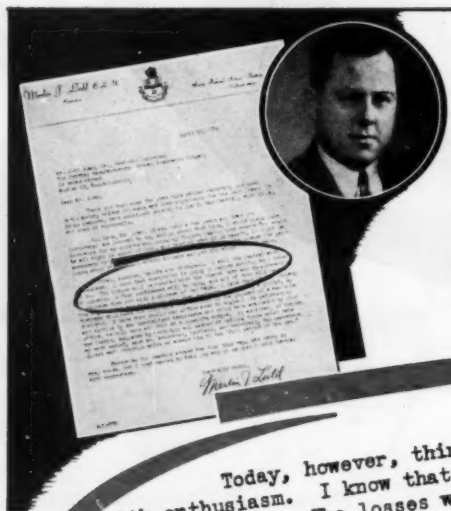
Mr. Cubbage reported that the membership is now about 650. The Florida unit is the largest association in the south. A resolution was adopted opposing federal health insurance legislation. Another resolution applauded the fact that there has been created a legislative committee to study the insurance laws and to recommend a codification program.

Coercion Is Condemned

A memorial was adopted condemning the handling of vendor business in a way that is "contrary to the concepts of the present statutes relating to coercion." It was stated that coercion is encroaching on the free distribution of much obtainable business. The association pledged its support to any efforts on the part of the insurance department to curb coercion.

Dean Walter J. Matherly of the school of business administration of University of Florida in his address, said that insurance men must be prepared to think, to think clearly, to think through to the end of every question whether it be a public or private matter. He said too often colleges do

(CONTINUED ON PAGE 12)



I sell the Central with enthusiasm

— writes Merlin J. Ladd, Boston, Mass.

Merlin J. Ladd, prominent insurance broker in Boston, likes to place coverage in the Central because he can sell the Central with enthusiasm. Among his reasons for being enthused about the Central, Mr. Ladd mentions prompt, fair handling of claims with utmost care and consideration of clients . . . reduction of insurance cost by payment of handsome dividends to policyholders . . . quick service and specialized assistance . . . highly effective sales tools, and powerful advertising promotions. Investigate the Central. Find out why so many successful insurance men, like Mr. Ladd, represent this sound, well-known company.

Today, however, things are different. I sell the Central with enthusiasm. I know that everything is going to happen exactly as I expect it to. The losses will be handled with the utmost care and consideration of clients. A fair settlement will be made, and all of this will happen in minimum time and with a minimum of red tape.

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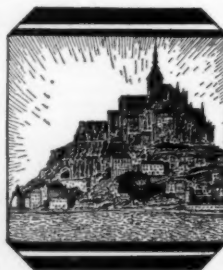
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Bennett Gives Views on N.A.I.A.-Company Commission Talks

Agents' Counsel Advocates Committee Approach on Service Rendered Basis

Walter H. Bennett, counsel of National Assn. of Insurance Agents, speaking at the annual meeting of Essex County, N. J., Insurance Agents Assn., declared that in his opinion collective action by agents in attempting to persuade others of the righteousness of their cause is not illegal tampering with insurance premium price structure or interference with the free right of private contract.

Mr. Bennett remarked that the agent's right of private contract and the idea of the propriety of technical committees of the association remaining mute on any question of remuneration is being agitated in some quarters. He delved thoroughly into the reasons why he believes agents may engage in commission discussions with the companies.

Agents have no quarrel with the declaration that commissions must be reasonable, Mr. Bennett stated, but at the same time they assert commissions must also be adequate to maintain the service factor in insurance. He said that rating bureaus and insurance departments have no authority to fix or establish expense items in the rate expense factor. Their work lies in the circle of the finished rate. When the completed rate is turned over to the companies, it often turns out that not every company will disburse the expense factor in the same proportion. Herein lies the strategy "claimed by many agents to be important of the right of private contract," he noted.

Advocates Conference Approach

Mr. Bennett emphasized that behind this lies an area of activity vitally affecting the agents which need not concern itself with any commission rate.

He mentioned the defunct casualty acquisition cost conference, whose rules furnished an example of what might be a bilateral approach. Agents are interested in the creation of such rules and should insist that they be heard in any attempt to revive them, he stated.

The conference rules involved the whole acquisition cost situation and the limitation of agency representation in the casualty business. They included general agents, regional agents, local producers and service offices. If agents are expected to do field supervision work, as many now do, they should have something to say about that part of the business. If they are to participate in or completely discharge loss adjustments and claim service, they are entitled to be heard about that also.

Mr. Bennett asked if the overall picture of rating laws in the states and how they are being interpreted and applied by departments is a matter in which agents in each state should be concerned? If the rumored impending inland marine commission war should develop, would it result in harm to agents? Is the question of a uniform countersignature and division of com-

missions law a proper matter of conference between agents and other parties in interest?

These and similar questions are of the utmost importance to the preservation of the agency system, Mr. Bennett asserted, adding that if they are answered in the affirmative, the further question arises of how relationships with companies, rating bureaus or departments can be established except through representative committees of agents? He emphasized that this important and valuable committee work should not be discouraged, at least until the object and purposes sought are thoroughly understood.

Shifting to the question of whether concerted activities are illegal under an anti-trust statute as tampering with a part of the premium charged for insurance, Mr. Bennett said that absolute fixing in concert of commissions would be a prohibited proceeding without reaching the problem of the proper place agents have in that part of the rate structure vitally affecting them.

Further, he said, any collaboration amongst agents as to what they consider to be a fair and reasonable consideration for services rendered is in no respect a price fixing determination, because the

agents have no power under law or custom to fix a price for their services. Any discussion amongst agents, or with others, as to reasonable compensation for services rendered therefore cannot be in violation of a federal or state anti-trust statute based on price fixing.

Remaining silent on the question of commissions is hardly the way to secure a just solution. If agents aren't willing to become the pronounced advocates of their own business affairs, how can it be expected that other parties will look after their interests? he asked.

A committee of agents can do much in affirmatively representing to those in authority the necessity of a proper recognition of the agent's place in the insurance picture. This activity need not concern itself with what percentage of the premium a given agent should receive, but rather should be a recognition that preservation of the American agency system needs to be supported by fundamental foundation standards.

Mr. Bennett said he knows of no committee of agents in modern times having the desire to name a given percentage of the premium as the quid pro quo of agency service. There are too many unknown and undeterminable factors to make any such idea feasible.



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Procession Starts to Match North Am. Pa. Deviation

Fire Association and Phoenix of Hartford have filed 15% fire insurance rate deviations with the Pennsylvania department identical to North America's new rates for the excepted territories of Philadelphia, Philadelphia suburban and Allegheny county.

Following a meeting of member companies of Middle Department Assn. of Fire Underwriters at Philadelphia, a committee was named to study the possibility of asking for a statutory review of Commissioner Malone's approval of North America's deviation on certain lines and in certain territories in Pennsylvania. If such action is taken, the effect would probably be to suspend the deviation and delay insurance department action on the filings by Fire Association and Phoenix of Hartford group.

John R. Barry, president of Corroon & Reynolds, heads the committee to study possible legal action on the deviations. Other members are W. B. Rearden, Loyalty group; Walter L. Falk, Royal-Liverpool; A. W. Tyrol, Hartford Fire; J. K. Hooker, Automobile; R. H. Miller, National Union; J. Victor Herd, America Fore; and A. L. Ross, Crum & Forster.



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NEW SCHIFF, TERHUNE LINEUP

The new Chicago general agency of Schiff, Terhune & Co. of New York is now representing American & Foreign, Old Colony, Pearl Assurance, Accident & Casualty, National Surety and Royal Indemnity. They are binding agents for Lloyds of London. Agencies for several other large fire companies are in process of negotiation.

John J. Chavanne, Jr., vice-president in charge of the Chicago office, has increased his staff. John D. Hielscher, in charge of the marine and automobile department, previously handled the marine business in the Anchor agency, Chicago. He is a son of Ernest E. Hielscher, secretary-treasurer of the Casualty Mutual of Chicago.

Rowland L. Williams, Jr., in charge of the fire and Lloyds department, started in insurance in 1938. He has had both company and agency experience and for three years was in charge of the loss and Lloyds department of the Anchor agency. H. N. Moore, in charge of the casualty department, has had more than 20 years experience in Chicago with Employers Liability, Massachusetts Bonding and Fred S. James & Co.

LAW FIRM REORGANIZED

The Chicago law firm of Dent, Weichelt & Hampton, which has been an important factor in surety litigation, has been reconstituted as Dent, Hampton & Dotten, due to the fact that George M. Weichelt has moved to Hot Springs, Ark. The partners are Louis L. Dent, John P. Hampton and Roger D. Dotten. Special partner is Donald W. Nofri.

ACCOUNTANTS HEAR McCULLAGH

Chicago Insurance Accountants Assn. heard a talk by J. A. McCullagh, treasurer of Sterling, at the June meeting. Mr. McCullagh was formerly a senior examiner with the Illinois department.

PLAN SEMI-ANNUAL JUNE 24

Western Conference of Special Risk Underwriters will conduct its semi-annual meeting June 24 at Sportsman's Golf Course near Waukegan. There will be a dinner in the evening.

C.P.C.U. FORUM ON LIABILITY

Chicago chapter of C.P.C.U. held an open forum on department store liability at the June 6 meeting. Donald M. Wood, Jr., of the Childs & Wood Agency, president, presided.

Ray Maxwell's New Plans

Ray L. Maxwell, who has resigned as state agent at Oklahoma City for Norwich Union, is opening a local agency office in the newly incorporated city of Warr Acres, which is suburban to Oklahoma City. Mrs. Maxwell and he will operate the agency under the name of Ray Maxwell Agency.

He started on the road 33 years ago for an automobile supply house at the age of 16. He served in the army air corps during the first war and in 1919 went with Oklahoma Inspection Bureau. In 1923 he became special agent in Oklahoma for Commercial Union and went with Norwich Union as state agent in 1928. He is a past most loyal gander of Oklahoma Blue Goose.

To Study TDB for Ohio

Governor Lausche of Ohio has signed a bill creating a commission to study compulsory temporary disability insurance.

The Ohio house has passed a bill to permit metropolitan park districts to set up replacement funds. This bill as originally introduced provided for these park districts to set up self insurance funds, but the measure was amended to eliminate that feature and simply provide for a depreciation allowance.

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COMPANIES

L. & L. & G. World Operations Reported

Total fire, casualty and marine premium income of Liverpool & London & Globe in 1948 on worldwide operations exceeded £20 million, a new high, Col. A. C. Tod, chairman, stated in his annual report. Although premium reserves were increased and claims were higher than in the preceding year, the underwriting profit amounted to £974,110 as against £610,290 in 1947.

In accordance with requirements of the English "companies' act" of 1948, figures include all subsidiary companies and comparisons are adjusted to include subsidiaries.

Fire premiums of £8,515,450 were a slight decrease from the 1947 figure of £8,835,706. The underwriting profit, however, increased from £325,913 to £588,654.

Mr. Tod noted that underwriting results in the U. S. showed a favorable turn after a lean period of several years, and he complimented the efforts of H. C. Conick, U. S. manager, on the results.

Casualty premiums increased more than £1 million, the 1948 total being £9,934,465 as compared with £8,961,793 in 1947. Underwriting profit increased from £217,799 to £230,454, although the percentage of profit dropped from 2.4% to 2.3%.

Marine premiums in 1948 totaled £1,578,170 as against £1,495,391 the previous year. Colonel Tod observed that delays in claim adjustment arising out of deferred repairs, coupled with the still rising cost of labor and material make it difficult to estimate outstanding liabilities on hull. Substantial reserves have been set up for deferred claims.

New life business set a record of £5,084,314 as compared with £4,776,829 in 1947. Death claims decreased as did matured endowments. An increased dividend at a rate of 1½% was declared and the interim dividend for 1949 was set at the same rate.

Securities held by L. & L. & G. show a substantial excess of market values over book values. The 1947 dividend was continued, it being 27 shillings per share, less tax.

FIELD

Employers Fire Names Swanson in Illinois

Employers Fire has appointed Stanley S. Swanson as special agent for Illinois. His headquarters will be at Springfield.

Mr. Swanson entered the business in 1934 in the underwriting and brokerage department of Fireman's Fund. After service with the armed forces from 1941-45, he rejoined Fireman's Fund and subsequently was with Bartholomay-Clarkson agency of Chicago handling national fire lines.

Riley in Field for St. Paul

St. Paul companies have appointed Francis X. Riley, special agent in Indiana. He will travel in the northern Indiana territory with John D. Pearson, state agent. He succeeds Charles Morscheck who has been transferred to Michigan. He has been with the companies in the claim department at Indianapolis and will continue to make his headquarters there.

Crawford to Ill. Field

Crum & Forster has appointed John P. Crawford as state agent in northern Illinois associated with State Agent V. L. Zimmerman.

Mr. Crawford attended Southwestern College and Kansas State Teachers College before joining Home in Oklahoma. For the past six years he has been special agent in Missouri for Crum & Forster. His new headquarters will be in Elgin in the Professional building.

Daniel to Norwich Union

Walter F. Daniel has joined Norwich Union as state agent at Oklahoma City, replacing Ray L. Maxwell, who is entering the local agency business. Mr. Daniel recently has been special agent for London & Lancashire in Oklahoma and Kansas. He attended Oklahoma Baptist University and Baylor, and after serving in the navy, went with Oklahoma Inspection Bureau in 1946.

Plan Anthracite Outing

Anthracite Field Club will conduct its annual outing at the Irem Temple Country Club at Dallas (near Wilkes Barre) June 22. After an afternoon of quotts, golf, cards and swimming, there will be a dinner.

Harrold with Home in Mich.

Richard H. Harrold, formerly with Michigan Inspection Bureau for three

years following service in the army, has gone with Home as special agent out of Grand Rapids, Mich., working under State Agent George L. Stone.

Insurance Proceeds Can't Be Attached in Nebraska

LINCOLN, NEB.—The lien of a county against the property of an old age assistance recipient does not attach to the insurance money paid when the residence is destroyed by fire, Attorney General Anderson has ruled in answer to a question of a Pawnee county attorney who said an old age client had a home which was destroyed by fire and asked if the county had a lien against the proceeds of the insurance policy. Anderson said the county's claim is subject to the preferred claims for funeral expenses and medical services.

New Lane Book Published

Prentice-Hall has published "The Successful Practice of Insurance" by Mervin L. Lane, New York broker. This book, compounded of Mr. Lane's 30 years of experience, contains advice to the in-

surance salesman on how to build and maintain his business. Opportunities for expansion of business including cold canvass, change of records and direct mail are discussed. Office procedure and agency employee efficiency are covered. Interviews and psychological persuasion plus many of the more subtle trade secrets are treated.

Mr. Lane is the author of two previous volumes on insurance and his writings have appeared regularly in trade journals. Price of the book is \$5.50. It may be obtained from The National Underwriter Co.

Delay in Tax Suit

ST. PAUL—Court action begun more than a year ago to knock out the 2% fire premium surtax in the five largest cities of the state has now been put over to the October term of court. Kenneth Hassler, a policyholder, initiated the action against the insurance commissioner, Travelers and others to stop collection of the surcharge on the ground that it is illegal and discriminatory.

A. L. MacLennan, Employers Liability, has been elected president of Insurance Accountants Assn. of Philadelphia.



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Downey Relaxes His Grip on R.I.

SAN FRANCISCO — Commissioner Downey announces that he has concluded an arrangement with General Agencies of New York, Inc., under which it will handle the details of administering the policies of Rhode Island and Pioneer Equitable, including the pertinent records, recording of cancellations and endorsements, billing agents and brokers and receiving premiums. Any cancellations or endorsements to outstanding policies must be signed by a representative of the commissioner.

At the same time the instructions contained in Mr. Downey's letter of May 17 forbidding disbursement by agents of any of the funds of these companies are rescinded to the extent that those instructions barred transmittal to General Agencies of New York, Inc.

To Write No New Business

No further business is to be written in these companies in California until further order. Routine endorsements affecting policies but not involving substantial increases in coverage in general will be issued by the conservator. Applications for such endorsements are to be forwarded to General Agencies of New York.

Policies, renewal or otherwise, which had been executed prior to May 17, even though effective as of a later date, are to be considered to be policies issued. In the event such insured does not desire the coverage, he should advise the agent in writing or cancel and return the policy.

Agents will continue the collection of premiums. All agents and brokers will be held strictly to account for the handling of premium considerations as trust funds. Agents and brokers have no authority to disburse any of such funds except to take care of billings by General Agencies of New York. This prohibits the return of premium to an assured on account of cancellation of policy or otherwise or the use of any portion of the funds for the purchase of insurance in other companies.

Agents are not authorized to cancel any policy heretofore written. This can be effected only by written notice from the insured. Notices of claims are to be forwarded to the conservator in care of General Agencies of New York.

Lending Institutions' Action

Mr. Downey states that certain lending institutions have instructed agencies to cancel Rhode Island and Pioneer Equitable policies and to provide other coverage. Mr. Downey states that unless the loan agreement provides to the contrary, the lender does not have the right to cancel any policy. The power of cancellation is in the insured alone.

Mr. Downey states that the funds of these companies that came into his hands as conservator are insufficient to pay claims either for losses or return premiums, and he voices the opinion that such claims are enforceable against the companies or their assets. He expressed the hope that the companies will make the necessary funds available.

Mr. Downey states he recognizes that the appointment of the conservator has caused inconvenience to agents but he states that this is unavoidable in the circumstances. "The existence of agents' problems in problems in connection therewith will not be considered as a basis or reason to disregard of any of the instructions. . . ."

Full Line Bill in Wis.

The Wisconsin house has passed the multiple line bill.

A hearing was held the other day on a bill requiring public hearings to be held on rate filings. This was instigated by W. T. Evjue, editor and publisher of the "Capital Times" of Madison, who is a foe of the governor. That paper had an editorial the other day advocating this measure.

Houston, Pierce Succeed Forsyth at Richmond for North America

Robert W. Forsyth, manager for North America at Richmond, will retire June 30. He has been associated with North America since 1920. Mr. Forsyth will be succeeded at Richmond by Overton W. Houston as manager in charge of fire, marine and automobile, and Nolan S. Pierce as manager in charge of casualty and surety.

Mr. Houston joined North America at Atlanta and has served as examiner, special agent and most recently as manager at Denver, where he was assigned in 1946.

Mr. Pierce joined the indemnity company as special agent in North Carolina and served in Iowa, Chicago and Richmond until he was appointed indemnity manager at Cleveland in 1941.

N. Y. Calls Hearing on North America Deviation

NEW YORK — Deputy Superintendent Walter F. Martineau of the New York department has called a hearing here June 13 on a proposed 25% deviation from the rates for personal jewelry insurance requested by North America. North America and Inland Marine Insurance Bureau will have opportunity to be heard on the application for deviation.

The Staughler agency of Orlando, Fla., has been incorporated under the name of **Staughler-Huffman, Inc.**, with Elmer Staughler as president and Rex F. Huffman as vice-president. Mr. Staughler has been in the agency business at Orlando for many years and Mr. Huffman has been traveling the area for Grain Dealers Mutual Fire since the war. New offices are at 19 West Washington street.

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Indications of Fire Lines Softening Appear

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seek a delay for the time being if the assured wants to take a drastic reduction in his U.O. cover. One agent, for instance, tells of seeing an assured in a "moaning" mood at renewal time. He had no orders and he ordered his U.O. to be cut 50%. The agent said that was a radical decision, but he agreed to come back in a few days with the figures. In the meantime, the assured had gotten a new order or two and was in brighter mood. He said he had changed his mind and that he would reduce his cover only 25%.

Whisky Cover Reduced

Due to recent declines in whisky prices, the pressure is off for coverage on whisky warehouses and, indeed, the report is that considerable existing cover is being eliminated. Some agents and brokers, it is reported, are doing away with the smaller policies on these risks. When the pressure was the greatest for cover, the entire market was canvassed closely and the broker would take \$10,000 here, \$15,000 there and \$25,000 some other place. These policies on whisky warehouses add up to a very large bundle and the multiplicity of contracts complicates bookkeeping. Hence the procedure seems to be to simplify the setup by canceling the policies for smaller amounts.

There is some complaint on the part of companies that country elevators have not reduced their limits of liability, despite the large drop in grain values. One answer that is encountered in some localities is that the limits of liability have to be maintained at former levels against the chance that flaxseed may be stored there which is very dear. The companies' underwriting and reinsurance is based on limits of liability rather than the amount actually at risk and the companies say they could handle the situation much more comfortably if those limits were brought down more to present levels of grain prices.

Insofar as direct damage insurance is concerned, there have been very few cutbacks and there is still a tendency for the amount of insurance to be increased at renewal. Warehouses are bulging with products of all kinds as are the shelves of merchants and other pipelines of supply. This merchandise has to be insured even though it is not moving and there seems to be a distinct tendency to see that insurance is carried in the amount of the price tag that is attached to the merchandise regardless of whether that price tag is such as to be interesting to the consumer at this time or not.

Building Cover Unaffected

Nor is there any tendency to reduce the amount of insurance on buildings. There has been a decline in the value of dwellings and other buildings, despite the fact that the cost of replacement has not gone down. This is a market situation. Of course, it is not the habit of insured to rush out and reduce insurance on buildings when there is a downward trend, any more than insured are habituated to cover increased building values immediately. These adjustments occur in the normal course upon renewal.

Some of the fire companies say that so far this year they are ahead in premium volume by an eyelash. Others are definitely behind and some are "crying."

The stock market thud of the last two weeks has done the company surpluses no good, although the insurance investment portfolios are far less volatile than they used to be. Many insurers have been keeping in an extremely liquid condition, among other things to be in a position to take advantage of a real, climactic buying opportunity.

An illustration of how abrupt price changes that are being encountered these days can affect insurance situa-

tions is found in a recent loss to a truckload of finely finished steel. Under the marine contract, the insurer was liable for the invoice value at the time of the loss which happened to be \$250 a ton. When it came time to make the adjustment, however, the same steel could be replaced for \$80 a ton. The insured waved aside an offer to replace the steel, saying that its warehouses were bulging with it and insisted on recovering the invoice value which was its privilege.

Kill Anticoercion Bill

LOS ANGELES—The California assembly rules committee Monday killed the anticoercion bill which would have prohibited lenders from requiring the borrower to secure his insurance through designated agents or brokers but which would have permitted lenders specifying the company from which they would accept policies.

Del. Full Line Bill Passes

The Delaware legislature, which has now adjourned, enacted a full multiple line underwriting bill. No action was taken on either the compulsory automobile insurance measure or the modern type financial responsibility bill. At one time the compulsory measure was regarded as a serious threat.

E. V. Henckel, Sr., was tendered a luncheon by a large group of insurance friends on the occasion of his retirement as an executive at Cleveland for Ohio Inspection Bureau.

J. M. Shaw, superintendent of the inspection bureau at Cleveland, was chairman of the committee and Eugene F. Gallagher of Planet was toastmaster. He was presented with a gold watch at the assemblage and with a matching chain by his bureau associates, and Insurance Board of Cleveland presented to him a framed testimonial. He started with the bureau in 1904 and later became super-

visor of inspectors and most recently has filled general executive duties.

Zurich Publication

"Between Ourselves," a publication gotten out by the eastern department of Zurich for its personnel and agents, marked its fifth anniversary with the June issue. The magazine, which has steadily grown in popularity and diversity of material, is edited by Norman Robertson, agency superintendent.

Council for Independent Business, to be headed by former Congressman Walter C. Ploeser of the Ploeser, Watts & Co., local agency at Clayton, Mo., has been set up at St. Louis to act as spokesman for small businessmen. Mr. Ploeser would not be a salaried officer of the council.

The local board at Kankakee, Ill., is planning to hold a field day Sept. 7.

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Term Installment Plan Mushrooming

(CONTINUED FROM PAGE 1)

count each year collecting premiums annually at a commission reduced because of the reduction in premium.

As for the companies, when they introduced the five year policy at a premium of four annuals, there was a strong banking consideration for doing so. They could use the money to make money. Today this is not so much of a consideration. Fire companies also buy government bonds nowadays. But there was another consideration, the savings in handling, and that is still there. However, the installment plan does away with much of this saving. Thus there isn't a great deal left of the purposes of the term idea, except the theory that it helps bind the business to the agent and company for five years. Companies aren't impressed by the interest earning.

Cite Alabama Ruling

Alabama has ruled that the installment premium endorsement can be used on classes selected by companies, but the annual payment endorsement must be attached to every policy subject to the term privilege. This action has been taken also in another state or two. The gist of the annual premium endorsement is that the premium each year will be charged at the then legal or current rate, as in Alabama and

other states. But in Florida, it is understood, the companies must renew the policy at the original rate.

Companies hesitated, especially in recent years when capacity was a problem, to go into installment financing. They felt they had to reserve for the entire five year premium. However, on the installment premium endorsement, though they must reserve for unearned premium for the five years, they are permitted at least by most states to take credit as an accounts receivable item for the net amount of unearned premium. This is the balance of the term premium due after the first installment, minus agent's commission, and goes into assets. The companies don't have to reserve for more than the current year under the annual payment endorsement.

The annual payment endorsement provides for payment of 80% of the annual premium, each year for five years. There is no interest charge.

The installment premium endorsement provides for payment of a full year's premium initially, in advance, and then 75% each succeeding anniversary date for four years, plus an interest charge on the last four payments. Many of the endorsements, for example, charge 78% each of the last four years; as, "Second installment, 78% of premium for a one-year policy, due one year after inception of policy." If insured is in default on an installment, the amount previously paid is regarded as earned by the company and the policy may be canceled.

This recrudescence of the installment payment plan is disquietingly reminiscent of the old depression days to many in the business. It was a hard times device and in these jittery days the emergence of such a depression symbol causes shudders.

In Iowa and Nebraska the practice is gaining much momentum and a number of the organization companies are offering the plan including Crum & Forster and Boston.

General of Seattle and a number of the other non-board companies are pushing this plan aggressively and the companies that have not made such a move are being bombarded by agents with requests to make such an arrangement available, in those points where the competition is the most intense.

Ky. Fire Safety Move

Gov. Clements of Kentucky has appointed a 32 member Kentucky fire safety commission. The group is patterned after that recommended to state governments by the President's fire safety conference.

Last year property loss by fire totaled \$9,052,552, and since the first of the year 79 persons have been fatally burned the governor said.

Insurance members of the commission include Martin W. Boedeker, Royal Exchange, Louisville; George E. Burks, Louisville local agent; Orville Noel, Covington agent; George H. Parker and W. M. Horn of Kentucky Inspection Bureau, and Norman A. Chrisman, Pikeville agent and member of N.A.I.A. executive committee.

Secretary of the commission is James P. Sullivan of the state fire marshal's office.

Group Plan Liberalized

National Fire has liberalized the life insurance plan for employees country-wide, to meet present needs more fully and provide more coverage in earlier years of employment. Premiums for basic coverage are paid by the companies, and maximum coverage is reached after two years of employment instead of 10 years as under the old program.

Total disability benefits are provided on the basis of inability to engage in any occupation.

Scottish Union Appoints Aitchison at Chicago

Vincent W. Aitchison has been named inland marine special agent of Scottish Union at Chicago. He has been working on inland marine since 1930 when he started with Appleton & Cox at Chicago. He was manager of the inland marine department of Dubuque F. & M. at Chicago and most recently has been with McGee & Co. there.

North Texas Field Club at a meeting at Dallas with 42 attending, organized a school for inspectors under leadership of Hugh V. Keepers of Fire Prevention & Engineering Bureau. At the next meeting, July 18, the subject of public buildings will be discussed.

J. P. Lassiter Florida Agents' New President

(CONTINUED FROM PAGE 6)

not create even an atmosphere that is conducive to thinking. They allow social and athletic activities to obscure and crowd out intellectual thoughts.

Insurance students, he declared, are evolving citizens, must be trained to live together in groups in cities, in states, in nations and in one world.

A welcoming talk was given by Harold Colee of Jacksonville, executive vice-president of Florida State Chamber of Commerce.

B. D. Cole of West Palm Beach was chairman of the nominating committee. The attendance exceeded 300.

Seattle Pond Plans

An invitation to members of the Blue Goose who may be at Seattle for the insurance commissioners' convention, has been extended by Don C. Husted, most loyal gander of the Seattle pond, to attend the annual meeting at Inglewood Golf & Country Club, June 24. The latter date will be the registration day for the commissioners' convention and other than registration nothing is scheduled for the program.

The pond will hold a business session and initiation in the morning, and a golf tournament in the afternoon. The Seattle members will compete for the Lee McKenzie cup and coincidentally a Seattle team will meet a British Columbia pond team in a traditional tournament for the A. Z. DeLong trophy.

There will be a cocktail hour and banquet in the evening.

Young Slated at Newark

Casualty Underwriters Assn. of New Jersey at its annual meeting at Newark was scheduled to vote on the following slate of officers: John Young, London & Lancashire Indemnity, president; John B. Rooney, Commercial-Metropolitan, vice-president; J. A. Little, Eagle-Globe-Royal, treasurer, and Percy A. S. Rogers, U. S. F. & G., secretary; and William A. Sadler, Century Indemnity, retiring president; John A. Nolan, Aetna Casualty, and Edward Charles, Indemnity of North America, executive committee.

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Aetna Life	2.50	52
American Alliance	1.10	23
American Auto	1.60	45
American Casualty80	12
American (N. J.) .....	.70	17
American Surety	2.50	57 1/2
Boston	2.40	63
Camden Fire	1.00	19 1/2
Continental Casualty	2.00	53
Fire Association	2.50	60
Fireman's Fund	2.60	77
Firemen's (N. J.) .....	.50	16
Globe & Republic	2.00	49
Great Amer. Fire	1.30	31
Hanover Fire	1.40	32
Hartford Fire	2.50	123
Home (N. Y.)	1.30	27 1/2
Ins. Co. of North Am.	3.50	101
Maryland Casualty .....	.50	13
Mass. Bonding	1.60	35
Merchants Fire, N. Y.	1.15	26
National Casualty	1.45	26
National Fire	2.00	52
New Amsterdam Cas.	1.20	31
New Hampshire	2.00	42 1/2
North River	1.20	24 1/2
Ohio Casualty	1.00	50
Phoenix, Conn.	2.00	83
Preferred Accident .....	...	3 1/2
Prov. Wash.	1.40	32
St. Paul F. & M.	2.25	80
Security, Conn.	1.40	32
Springfield F. & M.	1.90	43 1/2
Standard Accident	1.45	33
Travelers	22.00	622
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Challenge Downey's R. I. Action in Cal. Appeal Court

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dence." It states that the "autocratic" commissioner has been engaged "in what seems to be persecution against out of state insurers and their Pacific Coast representatives."

It appears, the resolution goes on, that the activities of the commissioner "have been such as to embroil him in litigation, and that at the present time one insurance company has filed suit against him for \$50,000 damages alleged to have been caused by illegal destruction of the company's business." Also the resolution declares the commissioners of a majority of the states have set up a method whereby through the process of a conference examination investigation may be made of any insurance company to determine its solvency while protecting its policyholders from the effects of premature publicity or other impairment of their policies, and the California commissioner failed to attend although invited to a conference examination requested by the commissioner of the home state of a company doing business in California.

The California commissioner, according to the resolution, proceeded to institute other action which has destroyed the value of the policies held by more than 100,000 California policyholders.

Philip W. Collins Joins Moore, Case at Chicago

Philip W. Collins, prominent Illinois political figure, and who has operated a class 1 agency at Chicago since 1935,



PHILIP W. COLLINS

has now become associated with the Moore, Case, Lyman & Hubbard agency of Chicago as a broker. He is preparing to move into quarters at 1209 Insurance Exchange building, on the same floor with Moore, Case. Frank D. Kiloran, who is operating head of the agency, will make the move along with several members of the clerical staff.

Mr. Collins is a member of the board of Chicago Transit Authority and this requires much of his time. He was a member of the Illinois Commerce Com-

mission from 1929 to 1934 and was Illinois state director of revenue from 1940 until about two years ago.

Mr. Collins started as an insurance broker in 1920 and he was joined by Mr. Kiloran in 1929.

Self-Insurance Drops \$3 Million St. Louis Surplus to Deficit of \$4 Million

ST. LOUIS—The city of St. Louis is "running a great risk" by acting as a self-insurer without providing adequate insurance reserves or special funds to cover damage or destruction of various public buildings, City Comptroller Carpenter told the city's board of estimate and apportionment. He favors insuring a number of the city buildings against fire and other hazards until such time as the city can build its own insurance system.

Establishment of such a system was recommended in 1941 in a report by the Governmental Research Institute to a Mayor's advisory committee, based on recommendations by the Griffenhagen report, a private research firm. The city dropped most of its insurance but failed to set up the special reserve funds as provided in those recommendations.

Mr. Carpenter told the board that the city had a surplus of about \$3 million when it dropped its insurance and now it has a \$4 million deficit, with no money to replace property that might be destroyed by a fire explosion, tornado or other catastrophe.

City Counselor Crowe said his office will determine if it is possible for the city legally to set up a special reserve fund with restrictions so that the money could not be used for any other purpose. One legal problem is that one board of aldermen cannot legally bind a succeeding board.

Plans for Mich. Institute June 27-July 1 Announced

LANSING, MICH.—Further details of the insurance institute at Michigan State College, June 27-July 1 have been announced by Michigan Assn. of Insurance Agents, co-sponsor of the event with the college and the Michigan department.

In addition to a beginners' course for agents' license aspirants an advanced course is to be provided, covering business interruption, repair and replace, all-risk and other multiple line contracts, survey selling, meeting competition, inland marine, dishonesty coverage, liability and office management and procedure. Enrollment is limited to 150.

C. C. Ippenlatz, Crum & Forster, Detroit, will direct the faculty of fire and property line experts, assisted by R. A. Mitchell, North America, Chicago. Instructors in specific lines will be: Office management and procedure, Oscar Beling, Royal-Liverpool, New York, and C. L. Strong, insurance education coordinator at the college; casualty and dishonesty, H. B. Carr, Fidelity & Casualty, New York, assisted by C. L. Miller, Standard Accident, Detroit; insurance laws and rulings, Herbert B. Thompson, and Darlyle Watters, Michigan department.

Lake Shipping Booms

(CONTINUED FROM PAGE 2)

they are not prepared to stand by and lose it by price competition.

The situation in that respect differs from that pertaining to the Great Lakes hull insurance situation. Here there has been a steady drift to the London market and the U. S. syndicates have not undertaken to save the day by meeting the overseas quotations.

List Golden Gate Teachers

SAN FRANCISCO—Instructors for the new summer course of the insurance school of Golden Gate College, which starts June 16, include John Henry Martin, Standard Forms Bureau; James Simpson, Eagle-Globe-Royal Indemnity;

William Hall, North America; R. E. Cathcart, Commercial Union; John Savage, National Bureau; Robert Shoreen, California compensation fund; A. E. Kappenman, Hartford Accident; Charles Linford, life department, Johnson & Higgins; E. H. McCaughan, Fireman's Fund; Noel Kipe, North America; George Jansen, Spencer & Co., brokers; H. S. McIntyre, Hartford Steam Boiler; C. S. Sinclair, Sinclair & Co., brokers; Frank Fullenwider, deputy insurance commissioner.

The course is designed to prepare those desiring to qualify for agents, solicitors and brokers licenses.

Launch New Ind. Insurer

Tri-State Ins. Co. has filed an application with the Indiana department for authority to issue a general line of coverage. Incorporators are: Eben Lesh and Joseph H. Lesh, attorneys, Huntington, Ind.; Paul W. Sult, president, and Arnold Waibel, vice-president of Firemen & Mechanics, the perpetual charter company of Fort Wayne; Fred Tomsits, insurance agent, South Bend; Cecil C. Lockwood, insurance agent, Bluffton, and Edward Donaldson, manager of the Triangle Agency, Indianapolis.

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EDITORIAL COMMENT

The Past's Influence on Decisions

A familiar device in fiction and the movies is the flashback. The story gets under way and then returns to preceding events, which are intended to make clearer or more dramatic the reasons for the situation.

We were reminded of this the other day when a company executive was exploring the reasons for the departure of a key man. He wondered if he had properly merchandised the company to the man and his future in it. He tried to do this when the key man announced the outside offer, but the man accepted it. The executive wondered if the sales talk might have been effective if it had been given 10 years before. Perhaps he should have merchandised the company and the job more frequently over the years. Decisions are made at a certain point in time, but the factors which a man uses to arrive at a decision usually have been created at various times in the past.

The most important thing to a young man entering business is his future. This concern may be of little moment to his company, yet if a firm is to develop key men to conduct its operations, those at the top must devote some attention continuously to envisioning for the individual new men coming in the possibilities ahead. Only in this way can a company bind the individual to its needs and purposes.

Thus a merchandising talk about the business today may decide a future executive 10 years from now to stay with the company. Certainly it will have much to do with what he delivers in the way of effort and improvement in his job. The executive who recognizes the importance of his future to every likely man the company hires, who interprets that man's chances that lie ahead, does a sales job for the firm that cannot be done successfully in any other way.

Occasionally a company has gone to pot because of the lack of executive talent of high caliber with roots deep in a company structure. How does a company get into this condition? It takes a long time to ruin a company in this

way; it also takes a long time to get into good condition in this respect, and it takes continuous effort to keep it that way. After all, a business is the people who conduct it.

The wise executive knows that merchandising the company is not wholly a matter of salary and not even primarily a matter of money, per se. But it is a matter of making the individual feel that he is important to the company, and that the company is important to him; not only that it is important but that it is personal, in terms of the executives with whom he works, the people who run it.

Many company executives spend a good deal of time, thought and effort on this phase of their operations. And why not? After all, businesses buy insurance on key men because they recognize the real monetary value these men represent to the business, that the business would suffer if they lost them. They bring such men along gradually salary-wise. That is why company heads see to it that the man is brought to envision his future and the company's as both bright and intertwined.

To a lesser degree, the merchandising of the company to all employees must rest on the personal interest department heads and others in key positions take with new employees and maintain with those whose service with the company extends over the years. In a large concern it is difficult for those in authority to maintain informal, friendly relations with all employees and at the same time to be thoughtful and knowing, which is a necessary impression to impart. But it is not hard for the chief executive to do it with other executives; for other executives to do it with sub-executives; for department heads to do it with those coming along in their divisions, and so on to the employee newest on the job or who does the most routine sort of work.

This is a way to keep employees. It also is the method needed to get the best effort of which a staff is capable and to which a sound and generous company policy is entitled.

Splendid Spirit in Reg. 30 Problem

The way in which the insurance companies are striving to comply with regulation 30 of the New York insurance department governing uniform classification of accounts is evidence of the highest degree of good faith on the part of the industry in coming up to the spirit as well as the letter of the new regu-

latory pattern. The fact, for instance, that the companies sent 800 intent, serious-minded representatives to the recent annual meeting of Insurance Accounting & Statistical Assn. at Chicago, indicates that management is completely sincere in arriving at the destination that the supervisory officials have es-

tablished. There have been dozens and hundreds of other smaller meetings and conferences in addition to untold research on the part of individual companies, but this huge Chicago congregation which was there mainly because of regulation 30, was the most impressive evidence of how the companies feel about the problem and the attention they are giving to it.

The approach up and down the line is not how can the figures be juggled to satisfy the supervisory officials, but rather how the allocations can be made to be of the greatest service to the states, and over and beyond that, and probably even more important, how can the allocations be made best, to serve the most worthwhile purpose in the guidance of the individual company management.

The studies that have been initiated by individual companies so as to meet the requirements of regulation 30 have been costly, running as high as \$25,000 or more for good sized companies, and the companies are seeking to turn this investment into good account for interior purposes.

That seems to indicate that regulation 30 fundamentally was pretty soundly conceived. This is not true of a great many schedules and exhibits that are called for on the part of states. Many such calls can serve no earthly purpose for the states and have no conceivable value for the company that is required to get the figures together. The natural reaction of management is to ask what the figures that are wanted are good for and whether, when they are gotten together, they are to form the basis for any action. If the answer is that the figures are good for nothing and nobody is going to do anything about them, the natural reaction is to reach for a figure out of the air and go

through the motions of complying with the requirements with as little trouble and expense as possible.

Here, however, the companies recognize that the supervisory authorities are trying to reach something that is very difficult to reach, that it is a praiseworthy objective and that the wise course is to do their best to provide what is wanted, not only in the interest of cooperating with state supervision, but for self-serving purposes.

There was much applause of the statement that T. C. Morrill, deputy insurance superintendent of New York and the ace regulation 30 man of the U. S., made during his talk before the accountants at Chicago. Mr. Morrill said in effect that the New York department is not trying to promote the introduction of an elaborate cost accounting system for its own sake. He indicated the belief that the more elaborate the system, the more unrealistic it may actually be.

That statement of Mr. Morrill's indicated to the insurers that the supervisory authorities are not taking a wooden shoe attitude on this matter, that they are not seeking to impose upon the business an artificially correct and elaborate system of classification of accounts as a scientific facade. They are trying to work up something that will be more realistic than the old allocation that was on the basis of premiums. Whatever basis is selected will be, to a certain extent, unrealistic. It is perhaps a matter of degree of imperfection and it is reassuring to the companies and is inducing them to cooperate more wholeheartedly to see that the supervisory authorities recognize the inherent limitations in the situation and are not straining for a degree of precision that could reduce the whole project to an absurdity. There is a splendid spirit emerging.

PERSONAL SIDE OF THE BUSINESS

Carl Claussen, who is retiring June 30 as western manager of London & Lancashire in Chicago, expects to make his summer headquarters at a place that he has purchased on Lake Ellen in the neighborhood of Iron Mountain in the Upper Peninsula of Michigan. He has always been fond of this section and has denuded many of the waters there of fish. He spent a month there earlier this year getting the accommodations in shape.

Walter L. Hays, president of the American Fire & Casualty of Orlando and president of Florida State Chamber of Commerce, was featured on the American Broadcasting Company's radio program "Breakfast Club of the Air" with Don McNeill as master of ceremonies. Mr. McNeill told of Mr. Hays' success in the insurance business and elaborated the formula that Mr. Hays

has used, which includes the ability to get along with people, the power to work, integrity and training.

W. E. Bickel of Vinton, Ia., was feted by 20 insurance company representatives and local friends at a luncheon marking his 50th anniversary in the insurance business. On that occasion Mr. Bickel announced that his agency is to be consolidated with that of Wilson & Wilson and the combined organization will operate as Bickel-Wilson agency.

Mr. Bickel entered agency work with the late J. E. Marietta and with one or two exceptions, the same companies then represented are still in the agency.

Mr. Bickel was presented with a pen and pencil set by the company field men, and those speaking in appreciation of the honored guest were John W. Tobin and Roy Cameron of Vinton, Fred

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Gedelman, G. H. Mickelson, William Whipple and T. C. Little, representing the companies.

The Bickel-Wilson agency will be located at the former Bickel address. Recently the Bickel & Cope partnership was dissolved. Earl R. Cope is now with the state department of education.

James L. Wilson graduated at University of Iowa in 1933 and has been in the insurance business at Vinton since then. He was with his father, James N. Wilson, until the latter's death in 1946. A brother, Robert L. Wilson, will occupy space with the new agency. He is agent for Equitable Life of Iowa.

S. W. Schellenger of the Buckeye Union companies was elected vice-president of Advertising Federation of America, and vice-chairman of National Council of Advertising Clubs at the convention at Houston. He has been president of Advertising Club of Columbus Chamber of Commerce the past year.

Melvin LePitre, western department assistant manager of Fire Association, is bereaved by the death of his mother, Matilda LePitre of Ephraim, Wis. Mrs. LePitre was an aunt of Bruce Westering of the western department of Springfield F. & M.

B. F. Weaver, assistant U. S. manager of the fire companies and vice-president of the casualty companies in the Royal-Liverpool groups, who is in charge of the south, found a beautiful bouquet of 40 roses on his desk the other morning.

Mr. and Mrs. Weaver will spend his vacation, which begins this month, on the Pacific Coast, where he was located 10 years. They will be with their son, B. F. Weaver, Jr., who is in the field for Royal-Liverpool out of Sacramento, and the family will vacation together at Lake Tahoe.

Mr. Weaver was guest of honor at a luncheon given by Clarke Smith, deputy U. S. manager. Mr. Weaver is immediate past president of S.E.U.A.

Miss Margo Payne, daughter of H. A. Payne, vice-president of Home, received a scholastic award at Miss Hewitt's Classes, New York City, at the annual commencement exercises.

William Penn, manager of the inland marine department of Home, at the home office, will be back on the job next week after several weeks illness.

Edward J. Miller, veteran Louisville local agent and Republican leader, has been nominated as a University of Louisville trustee.

Don Forsythe of the Forsythe-Cain agency at Springfield, has been appointed a member of Illinois veterans commission. He served as a navy lieutenant.

Jess L. Adams, Sr., local agent at Gloster, Mississippi, has become a grandfather. His son and partner in the Adams agency, J. L. Adams, Jr., is the father of a boy, Jess L. Adams III.

Philip L. Johnson, Jr., son of the Indiana state agent for Pearl, has started work at the New York office of Pearl. He is a student of insurance at Indiana University, and is supplementing his schooling with practical training and work at the home office of Pearl.

Charles B. Frazier, special agent for Aetna at Topeka, is in Christ hospital of that city as a result of a broken leg he suffered in an automobile accident.

William L. Day, local agent at Lincoln, Neb., was elected president of the University of Nebraska alumni association.

A distinguished and extensive career in commuting between Jenkintown, Pa. and New York City on the Reading Railroad's "Crusader" was honored the other day on the outgoing train when John S. Love, vice-president of Home Indemnity, was feted by fellow commuters in a car specially decorated by the railroad. Mr. Love has been commuting on this train for many years, and now is moving to Long Island. He was presented a plaque by his fellow

riders and the festivities were appropriate to the occasion.

Francis X. Malley, vice-president of American Re, and Edward Uhler, agency department of the America Fore group, who live in or near Jenkintown, will be left to carry on the commuting tradition for insurance.

DEATHS

David O. Stine, 76, of Reedsburg, Wis., retired state agent of St. Paul Fire & Marine, who traveled Wisconsin for 30 years before his retirement in 1936, died at Reedsburg, after an illness of several weeks. Born in New Philadelphia, O., he went to Reedsville in 1888. He was president of the old Wisconsin Field Club, Fire Underwriters Assn. of the Northwest in 1924 and the Life



David O. Stine

Members of the Northwest Assn. in 1943, and an honorary member of Wisconsin Fire Underwriters Assn. Mr. Stine was prominent in business and civic affairs at Reedsburg and was a 33rd degree Scottish Rite Mason.

Amadeo P. Giannini, 79, founder and chairman of the Bank of America and of affiliated holding company, Transamerica Corp., which controlled the Transamerica group of insurance companies, died at his home in San Mateo, Cal. The Transamerica companies are Occidental Life, Pacific National Fire and Premier. Mr. Giannini, whose success story has been much publicized, started business as a produce peddler. He founded the Bank of Italy and enlarged his then novel idea of branch banking. This predecessor of Bank of America survived the San Francisco fire and the 1907 panic and now there are 500 branches of Bank of America, serving three million depositors.

Mr. Giannini was a director of Occidental Life and his son, L. M. Giannini, is currently its chairman.

Louis F. Hawley, Sr., 81, who until he retired 10 years ago was with the U. S. F. & G. blanket bond department in New York City, for many years, died at Presbyterian hospital, Newark, following a heart attack. Louis F. Hawley, Jr., a son, is president of Newhouse & Hawley of Chicago.

Oscar J. Nelson, well known independent adjuster, died at age 53 at his Chicago residence following complications of osteomyelitis, which developed last December. He has been in the adjusting business at Chicago for 35 years and had at one time officed with Aetna Fire.

William F. Lynch, 81, retired secretary of the Blatz-Kasten Co. agency, died at his home at Milwaukee. He had lived in Milwaukee 60 years and was associated with the agency for 40 years before his retirement in 1942. He was treasurer of Milwaukee Board of Fire Underwriters for 25 years.

E. C. Pedderson, casualty department manager of Moore, Case, Lyman & Hubbard of Chicago, is bereaved by the death of his 13 year old daughter, Donna Jean Pedderson, who was a victim of leukemia.

Graham H. Bruce, Sr., 53, of the Branch & Bruce agency, died at Richmond, Va. He had been engaged in the insurance business there for 25 years.

Charles J. Brennan, former fire chief of San Francisco, whose long tenure of office brought him national recognition from fire insurance executives, died at Los Angeles, from the heart ailment which forced his retirement six years ago. He had long been a member of San Francisco Blue Goose and took great interest in Fire Underwriters Assn. of the Pacific, the Pacific and Na-

tional Boards. In 1932 he was one of the strongest allies the business had in the strenuous campaign over the proposal to tax fire companies 2% of premiums to establish a state pension system for firemen. Chief Brennan aggressively fought the proposal throughout the state and at the legislature.

Mrs. Alfred M. Best, wife of the head of the A. M. Best & Co. publishing firm, died at her home at New York.

B. Miller McCue, 80, who helped to organize the McCue & Alsop agency at Richmond 40 years ago, died there.

Richard I. Williams, 71, local agent at Laurel, Mont., died. He was a native of England.

Meet Again on Chicago Negro Insurance Problem

The insurance industry committee that was set up at Chicago in January, 1948, to alleviate insurance market conditions in certain Negro sections of the south side of Chicago has called a meeting Friday of this week of Cook county managers and western department executives to bring industry representatives up to date on current conditions and to plead for enlightened underwriting practices in the area.

This was preceded by a letter from the committee to the insurance offices in which all companies are urged to follow the procedures that were set forth in the directive of Feb. 14, 1948, which was issued by former Insurance Director Parkinson. That directive ordered that no fire insurance application should be rejected without a prior inspection report and that following receipt of the report, "applications be accepted or rejected according to the same underwriting standards followed in other sections of Chicago."

Advise Applicants of Hazards

Also it was ordered that if an application were rejected because of the physical condition of the property, the applicant be advised of the hazards so that he may know what corrective steps to take.

The letter states that the issue of discrimination is again being agitated and numerous measures are pending in the Illinois legislature. Action has been postponed on them in the senate insurance committee but a hearing was scheduled for Wednesday of this week.

It was also stated that Insurance Director Hershey and Gov. Stevenson are insisting that the companies take steps to comply with the Parkinson directive.

The committee is headed by H. A. Clark, vice-president and western manager of Firemen's. Other members are E. A. Henne, vice-president and western manager of America Fore; C. W. Ohlsen, western manager of Sun and Elmer F. Reske, manager of Cook County Inspection Bureau.

Conflict Among Agents

The proposal that was submitted to the school board of Orange county, Florida, by Orlando Insurers Assn. for insuring and servicing school board properties was objected to at a hearing by individual agents in the county outside of the city of Orlando. During the controversy, George Johnson, chairman of the school board, declared that "this difficulty between you insurance agents is the strongest argument we've seen yet for the board to carry its own fire insurance."

The school board had asked the Orlando local board to propose a plan whereby a survey could be accomplished and the insurance handled through a single source.

Sidney A. Singleton, spokesman for the organization, submitted that proposal, which included recommendation that the commissions be divided among all licensed agents of the county on the basis of amount of license fees paid by each agent. The plan embraced a retention of 5% of the premiums for expenses of administering the program.

Fred Gregory, Winter Garden, was the spokesman for the opposition, saying that the plan constituted centralization. He suggested that agents in other parts of the county be permitted to share in the distribution of insurance in their specific areas. He recommended that three contractors be named to work with the board and that the commissions be distributed among the agents on a pro rata basis.

G.A.B. Calif. Shifts

Walter S. Watts, adjuster-in-charge at Palm Springs, Cal., for General Adjustment Bureau, has been transferred to Pasadena at his own request, and G.A.B. has named William J. Peschke to succeed him at Palm Springs. Mr. Peschke has had five years of adjusting experience with Aetna Fire. He joined G.A.B. in 1946 at Los Angeles.

Queens County Dinner

At the June 15 dinner of Queens County (N. Y.) Insurance Agents Assn., the following officers will be installed: S. E. Gutleber, president; Kenneth W. Haslam, W. R. Blake, and Alex Metz, vice-presidents; John Brennan, secretary, and Frank Fisher treasurer. Carl Typermass of the New York department and Roy A. Duffus, president of New York state association, will speak.

Smith Now Assistant Secretary

Jerome N. Smith has been named assistant secretary of National Mutual of District of Columbia.

National Mutual has been licensed in Delaware, Maryland, D. C., West Virginia and Florida.

FIRE PREVENTION ?

What's in it for Me?

What you get out of fire prevention work depends on what you put in. An active part can win you friends, profits, prestige. And . . . if your efforts should save a building or a life . . . you'll get a deep-down satisfaction that money can't buy.

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How popular is Insurance? It is said that more than 50% of American families buy it. YOU helped bring that about. WE help make it safe, sound and comfortable for Insurers who provide this tremendous bulk of essential protection.

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Keen Interest in Problems in N. Y. Disability Business

NEW YORK—A number of interesting questions have been raised in connection with New York's non-occupational disability law, which goes into effect July 1, 1950. The manner in which these problems are solved in New York is of more than usual interest because of the volume of business involved, because the law provides a new approach, and because of New York's thorough regulation of insurance.

One problem is how to meet a demand for coverage before the law goes into effect. How can the employer put in a plan ahead of July 1, 1950? The knot here is how to collect from the employee for his contribution. Apparently it would be too complicated to use a voluntary plan and shift back to the statutory prescription after the law goes into effect. Yet there is the demand, and some companies are trying to get an answer from supervisory authorities. If permissible, this would get a lot of the business rolling before the July 1 deadline. It is going to be a job to get the many small groups handled and under way at the crack of the gun.

Policy Form or Forms

A standard provisions policy which will meet the requirements of the law would be somewhat inflexible for some companies to handle, and alternative coverages for those that desire to offer more than the law's minimum are likely to be permitted. The business sees little point in having a mandatory policy. The group life people particularly like their present policy because it is simple, flexible, and time tested for satisfaction and easy use.

A big problem because almost wholly new is handling the smaller groups, four employees up to 25. Perhaps the workmen's compensation form can be used for them. This would make w.c. and disability coverages concurrent and would reduce costs. Low cost is a prime objective on this business, but especially on the small groups. But if a company wants to be more liberal than the law requires, will pay on a doctors certificate, for example, will this have to be spelled out on the policy in detail?

Supervisory authorities would certainly not be disposed to prohibit a contract less restrictive than required by law. Including more than the minimum presents some difficulties, and it would add to the expense to start with a minimum policy and liberalize the benefits by rider. Several kinds of companies will write the business, and their operations differ. There are existing group plans, many of them more liberal than provided for by the new law, and these may continue in force.

Suggest Three Advisory ofrms

Three advisory forms have been suggested: Endorsement to the workmen's compensation policy, giving statutory benefits with certain options permitted such as increasing duration of coverage, eliminating exclusions, etc.; another would be a separate policy form with statutory benefits, resembling the compensation policy, say, which could be used to cover the small groups; then there might be a rider or endorsement to permit writing statutory benefits with A.&H. coverages, for use in existing group policies, subject to options permitting increased benefits, etc. The standard provision might be included in any policy used, rather than having a fixed policy.

It will be important to isolate non-occupational disability from the work-

men's compensation experience, some feel, because the employer pays all of the w.c. cost, while the employee pays most or all of the non-occupational disability premium. This imposes a social obligation on the business, to provide maximum benefits as inexpensively as possible.

STATISTICS

On the casualty side, the feeling is that the problem of keeping statistics on a policy that includes two coverages would not be too difficult since this is now done; in the automobile policy, for example, are several coverages, and yet the premiums and losses are separated for experience purposes.

Statistics, which will be based on benefits paid rather than policy forms, are likely to be required in three phases: Data to enable the authorities to report to the legislature, such as number of employers insured, number of employees, benefits paid, etc., both on the statutory and a more liberal basis; data to show increased costs, when legislative proposals are made to increase benefits; and figures showing industry experience with the line. Statistics will have to be complete and conclusive, and include all figures, self-insurers' as well as state fund.

Without the 900 industrial classifications of w.c. and the age and occupation classes in accident and health, the statistical problem is not likely to be so severe in the new business, even though several degrees of coverages are offered.

Minimum Reporting on Group

The group life people would be confounded by all of the reporting that goes on in w.c., if that much is required under the disability law. One reason group has a low expense ratio is that reporting is kept at a minimum. The group people think that the requirement of too much statistical work would add to the cost and lead to criticism.

It seems certain that the disability business can avoid the requirement for a hearing on every claim, as in w.c., and the statistical reporting on individual claims, which is what w.c. requirements amount to.

Commissions will be a sensitive point. Companies aren't likely to be allowed to use them to bid for business, in a field that is social insurance written principally by private business. Costs on the line are going to be closely scrutinized by the public.

Observations on Commissions

The New York department has repeatedly made it clear it has no disposition to regulate commissions, although it has also taken occasion to comment when commissions have gone out of line.

Producers want the pure acquisition cost shown separately from other costs in the analysis of the premium dollar. If the coverage is added to w.c., it seems logical that the w.c. commission would be paid.

Companies writing package plans might be tempted to push costs over on to other lines, in order to compete successfully for the business. This is not regarded as desirable. The costs should be complete as to benefits, acquisition, administration, and so on, so that it can be determined that each branch is bearing its fair share of the cost, and that the costs are not too high at any one point.

Capital-Surplus \$60,000; Cashier's Loss \$137,000

Burton Dewese, cashier of Citizens Savings Bank of Weston, O., has been arrested on the charge of juggling depositors' accounts, the shortage being estimated at \$137,000. According to Dewese the shortage is \$90,000. The higher figure is the estimate of Federal Bureau of Investigation. Dewese was quoted as saying that he needed cash for Dewese Oil Refining Co. to pay for oil and storage and the market was slow. Also he said he saw a chance to expand Weston Mills, Inc., an alfalfa mill in which he has a one-third interest.

According to FBI, Dewese paid checks drawn on the two companies by withdrawing the money from accounts of other depositors and making false entries. A total of \$60,000 in uncleared checks on the oil company were found in the bank.

The Weston bank has capital and surplus of only \$60,000. On June 11 its records and accounts are being transferred to Bank of Wood County at Bowling Green.

The Weston bank has a \$50,000 blanket bond in Fidelity & Casualty.

Allstate Covered for \$68,000 Robbery of Messenger

The loss to Allstate of nearly \$69,000 when a company messenger was robbed of a brief case this week at Chicago is covered completely under an insurance company blanket bond form 25.

The messenger was carrying a case containing about \$68,000 in checks and \$650 in cash. As he passed an alley on La Salle street, a man jumped out, knocked the brief case from his arm and seized it and fled.

The insurance covering the loss is a special blanket bond for insurance companies that corresponds generally to bankers blanket bond number 24.

Mo. Qualification Bill Is Off to Good Start

The Missouri insurance committee held a hearing Wednesday evening on the agents and brokers qualification measure introduced at the request of Missouri Assn. of Insurance Agents and other insurance organizations, and supported by Superintendent Jackson. It follows very closely the model bill that was agreed to by N.A.I.A., National Board and the casualty companies and the organization stock companies take no exception to it. Written examinations would be required for agent, broker and solicitor.

Presently the Missouri regulations are a hodge podge and the control is in minimum degree.

A Missouri bill requiring service cars and taxicabs to carry B.I. insurance in the amount of \$20,000/40,000 is in the hands of the house criminal jurisprudence committee. Motorbuses are excluded from the provisions.

Reilly to Loyalty Group

INDIANAPOLIS—William F. Reilly has been appointed casualty special agent by the Loyalty group for western Indiana with offices in the Kahn building, Indianapolis. He has recently been special agent for Royal-Liverpool in southeastern Indiana.

Sun Indemnity Promotions

Leo M. Brimmer has been promoted to general attorney of Sun Indemnity. Formerly he was attorney of record. Richard Formidoni, who has been with Sun Indemnity 15 years, has been made attorney-of-record.

Complete Card for Adjusters Annual Rally at Detroit

Sherwood, Davis, Fagerlin,
D. W. Rodda, Martell,
Reinhold Featured

A full and varied program has been prepared for the annual meeting June 23-25 of National Assn. of Independent Insurance Adjusters at Detroit.

Registration will begin on June 22 and the meeting will conclude the night of June 25 with a banquet and dance.

Speakers at the first business session Thursday will be Donald B. Sherwood, general adjuster of National Board; Gordon Davis, secretary-manager of Mutual Loss Research Bureau, on "Requirements of the Independent Adjusters"; Cashan P. Head, attorney, on "Waiver and Estoppel as Applied to Fire Insurance," and Glenn W. Fagerlin, claim superintendent of Zurich, on "Abutters Liability for Sidewalk Injuries." That evening there will be a stag dinner for the men and special entertainment for the ladies.

Douglas W. Rodda, general adjuster of National Union Fire, will open the Friday meeting with a talk on "Comments on Subrogation Procedure." Other speakers that day will be Harold P. Reinhold, assistant Detroit manager of U. S. F. & G., on "Fidelity and Surety Bonds at Work"; Charles Martell, western department marine manager of Fireman's Fund, on "History of Inland Marine, Ocean Marine, Transportation and All Risks."

Convention chairman is Robert M. Hill of the R. M. Hill Co., Detroit. President Ross Whitney, of Chicago, will preside. The business meeting and election will be Saturday morning.

Agreed "Comp" Bills Get Quick Action in Ill.

The "agreed" workmen's compensation and occupational disability bills introduced in the Illinois legislature last week advanced rapidly and are up for second reading in the house. The bills would provide an increase in benefits of approximately 15%. Representatives of the insurance industry, labor and the state spent 10 weeks in preparing the measures, and it is thought they will pass without difficulty.

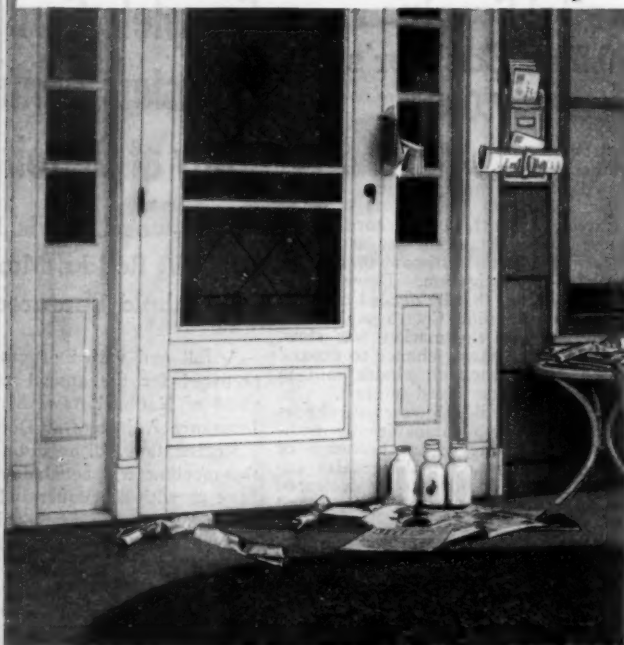
Watch Illinois Legislative Action on Two Fronts

Insurance people were surprised this week to learn that the Illinois bill to increase the wrongful death limit in the state to \$25,000 had been called up for committee hearing Thursday. The measure previously had been indefinitely postponed, and it was thought it was dead.

Another legislative action that is awaited with interest is that on the report of the senate group that reported Wednesday on its investigation into the "unusually high, excessive and unreasonable" automobile rates being charged in Illinois.

Robert Swanson, formerly New York City service and production manager of Bankers Indemnity, has gone with G. P. Bartenfeld, Inc., metropolitan agents there as special representative.

What's Wrong With This Picture?



Frankly, just about everything.

When the Jones family went off on a long week-end trip they forgot to stop the daily newspaper delivery. They were late in notifying the milkman. They pulled down the window shades. They did practically everything to advertise their home as an easy target for burglary.

Whether the Joneses carried adequate Residence and Outside Theft insurance is not divulged by this picture. To see to it that all the Joneses and other families among your clientele have this protection is your responsibility—and opportunity.

There's no better time to see to it than now—when another mass movement of vacationists is just getting under way.

A good door-opener and goodwill builder is Ohio Casualty's check-list of precautions every family should take before leaving on vacation. Copies on request.

THE OHIO CASUALTY INSURANCE COMPANY

Fast, friendly, coast-to-coast claim service

Home Office—Hamilton, Ohio

Hospital Malpractice Problem Gets Attention

The fact that St. Paul-Mercury Indemnity has discontinued writing malpractice on proprietary or profit-operated hospitals serves to emphasize the differences in types of such institutions and the difference in underwriting conditions.

From the hospital of 50 years ago established solely for charity, hospitals have developed into modern organizations receiving an increasing proportion of income from payments by patients and intended to be more or less self supporting.

To the public and to the business man, grounded in the principles of regular economic enterprise, hospitals are peculiar institutions. Most hospitals charge for service, yet they are not primarily concerned with making a profit. Many professional people work in hospitals yet they are not generally considered the hospital's agent. The confusion is heightened by the general lack of comprehension of the auspices under which hospitals operate. Governmental bodies, federal, state, county and city operate general hospitals in addition to special hospitals for tuberculosis, mental diseases, etc. Voluntary hospitals, on the other hand, are essentially community enterprises operating on a non-profit basis and are controlled by religious, fraternal and non-denominational bodies. Proprietary hospitals are private enterprises which operate under charters giving permission legally to withdraw profits, if any.

Frequent Misunderstanding

There is frequent misunderstanding regarding the degree to which these different types of hospitals are liable for their acts of negligence. From the legal point of view the rights, privileges, and duties of hospitals range from one extreme where the public or governmental enterprise is not liable in its own name to the other extreme where the hospital is a proprietary endeavor and is held liable in the same degree as any private, corporate enterprise. Somewhere between these extremes are the hospitals organized as voluntary, non-profit associations, quasi public in character whose legal status has been interpreted differently in many states. It is this group and the proprietary hospital which are of major concern.

The problems involving malpractice claims are not of particularly recent date, but their exceptional growth in importance during the last few years is correlative with the increasing importance both economically and socially of the hospital as a community institution. This has resulted in new conceptions of the possibility of losses arising from claims alleging negligence or malpractice.

The courts have rebelled against the antiquated doctrine which held that hospitals were not liable for injuries to patients because funds granted for the care of the sick could not be diverted to the payment of individual damages. As is characteristic with the law, the changes are not uniform and the subject at present is in a state of confusion with few settled or unanimously approved concepts.

A variety of factors has contributed to the growth of these claims. The reasons vary among different states, hospitals, and between rural and metropolitan communities.

Diagnostic, Therapeutic Mechanism

One vital factor contributing toward the seriousness of the problem has been the introduction of modern diagnostic and therapeutic mechanism and techniques. The same sort of problem was and is found in industry where the introduction of complex machinery has resulted in new types of industrial accidents. These are particularly prevalent during early periods of introduc-

tion when workers must learn new operations and when satisfactory safety mechanisms have not yet been devised or installed.

A second factor is the consideration that hospitals which were formerly pure charities in the actual sense of the word as well as the legal sense are now accepting paying patients, which in the eyes of the law has prejudiced their favored position with respect to liability.

A third factor might be described as growing commercialism. Where hospitals lease space to florists, candy shops, privately operated, and operate pharmacies they are stimulating the activities of commercial enterprise, such as hotels do. This trend is more pronounced in some sections than others.

The growing claim consciousness on the part of the public is another factor and of course that affects any business enterprise.

It should be borne in mind that while this coverage is vital to a hospital it is of minor importance to many companies that write much larger volumes of other lines. Perhaps the only real improvement in the present situation will be effected through the exchange of information between the insurance companies and the hospitals, interpreting hospital administration and organization problems to insurance companies and, conversely, the insurance companies' problems to the hospitals.

Jung New President of Milwaukee A. & H. Assn.

MILWAUKEE—Ervin L. Jung, Old Line Life, has succeeded A. L. Anderson, Massachusetts Protective, as president of A. & H. Underwriters of Milwaukee. Clifford Raisbeck, Great Northern Life, and Arthur L. Laun, Time, are now vice-presidents; Alex H. Siegner, Business Men's Assurance, treasurer and Leo E. Packard, Loyal Protective, is reelected for a 13th time as secretary. Directors chosen are Harold Kasche, Aetna Life; Glen Medler, Connecticut General; Everett Morrow, Old Line; M. G. Olsen, Continental Casualty; Lester Ellis, Massachusetts Protective; N. E. Doyle and Elmer Hammer, North American Life & Casualty.

E. H. "Count" Mueller, past president of the Milwaukee, Wisconsin and National associations, was named delegate to the national convention at Cleveland, with President-elect Jung as alternate. A large delegation plans to go to Cleveland to promote Milwaukee as the 1950 convention city. Headquarters, with Milwaukee and Wisconsin refreshments and foods, will be in charge of Leo Packard as chairman.

Underwriting Change

Since the withdrawal of the May, 1948, ruling of National Bureau of Casualty Underwriters, the underwriting of two or more cars in a family with drivers under age 25 has depended on the specific circumstances. Now if there are two or more cars and one is not driven by those under 25, the latter takes the A-1 rate if it otherwise qualifies. The other car or cars would take the A-3 rate if driven by those under 25. Under the 1948 ruling, if one car in the family was driven by one under 25, it took the A-3 rate, but the other car took the A-2 rate, though it might have qualified for A-1.

The Insurance Women of Austin, Texas, held their annual bosses and installation banquet. Fire Commissioner Brown installed the following officers: Miss Nellie Sorenson, president; Mrs. Eslee Wiswell, vice president; Mrs. Daisy Jamison, 2nd vice president; Miss Mary Beth Sowell, recording secretary; Mrs. Helen Mussett, corresponding secretary and Miss Edna Mitchell, treasurer.

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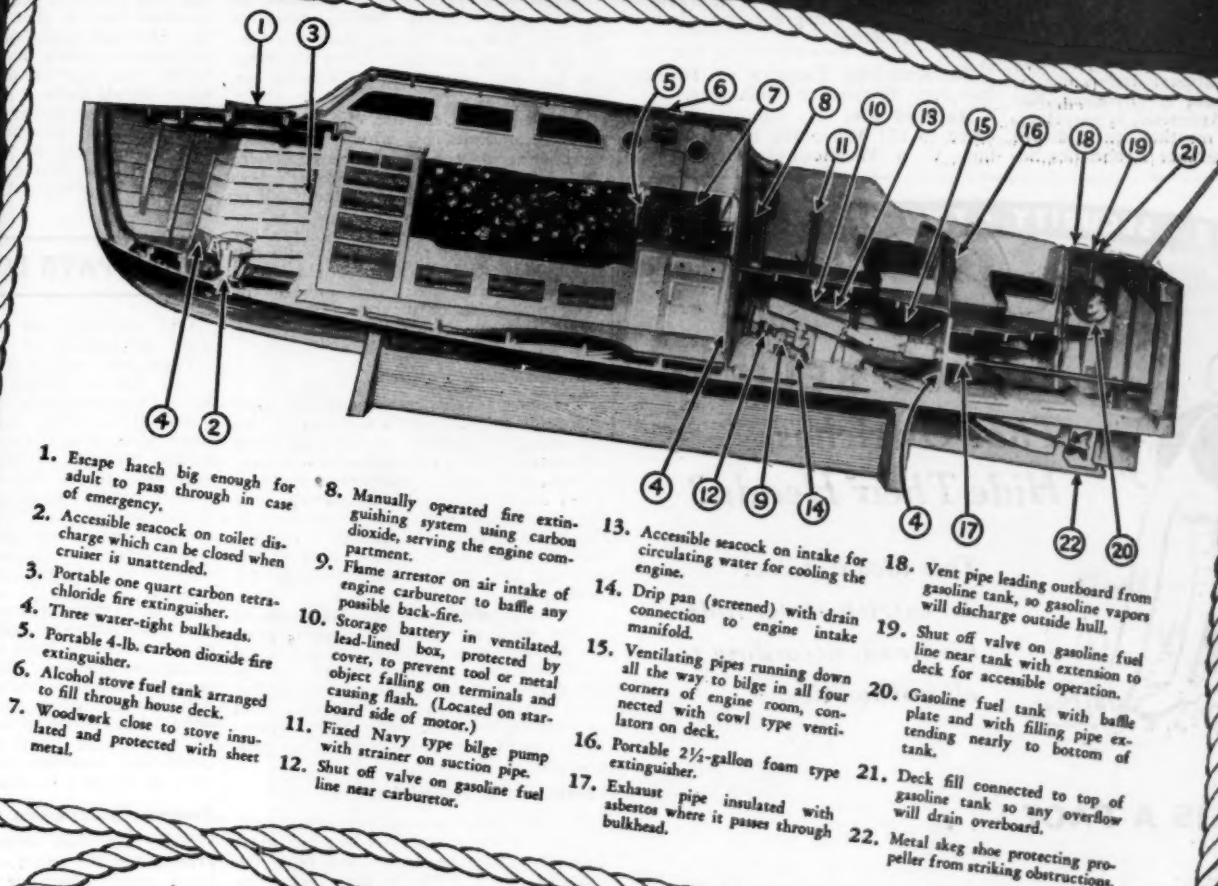
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YACHT SAFETY FEATURES



Selling Yacht and Motorboat Owners INSURANCE PLUS

The scale model of a cabin cruiser pictured above, with accompanying description, illustrates safety installations recommended by our Marine Inspectors for minimizing some of the hazards commonly found on power boats.

Thousands of boat owners have seen this

scale model at our exhibits in the New York, Chicago and Los Angeles Motorboat Shows. This model has been reproduced in the United States Coast Guard Regulations, and appears in a special folder which we have for distribution by our agents.

Our Safety Engineering Service is available to policyholders, at no additional cost, in connection with

YACHT AND MOTORBOAT INSURANCE

**AUTOMOBILE INSURANCE COMPANY
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HARTFORD, CONNECTICUT
FIRE AND MARINE INSURANCE • ALL FORMS**

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**ÆTNA LIFE
INSURANCE COMPANY
ÆTNA CASUALTY
& SURETY COMPANY**

Toelle Heads Chicago Casualty Underwriters

The Casualty Underwriters Assn. of Chicago at its annual meeting elected R. Maynard Toelle, American Foreign, as president. Vice-presidents are G. N. Morrissey, Hartford Accident; Richard Gilmore, Ohio Casualty, and William Fee, Employers Reinsurance. Norman Laibly, United National Indemnity, is treasurer and Harold L. Bredberg, National Service & Appraisal, is secretary. Speaker at the meeting was Edward H. O'Connor, Insurance Economics So-

ciety, who described ramifications of the President's compulsory health plan. During the next year, the association will make a concerted drive for new members. The majority of men in Chicago eligible to belong to this association do not attend its meetings and an increase in membership is desirable to obtain a more comprehensive view of current problems.

Pan-American Casualty of Houston has been licensed in Oklahoma.

Hartford Fire has moved its Dallas office to 501 Mercantile Security building. C. A. Woolford, Jr. is in charge.

HAWKEYE • SECURITY • TWO OF THE FINEST



**DO YOU BELIEVE
That Ostriches
Hide Their Heads?**

*This idea is false.
An ostrich never hides
his head, according to
all authorities.*

BUT IT IS A FACT . . .

. . . that Hawkeye-Security is working constantly to build more sales for agents.

Every service is provided to help agents step-up production providing service without red tape . . . prompt, equitable settlement of claims . . . skilled field representative to work closely with all agents.

Yes, here are two fine companies to do business with.

HAWKEYE CASUALTY CO.
SECURITY FIRE INS. CO.

Des Moines, Iowa

HAWKEYE • SECURITY • TWO OF THE FINEST

1886—OVER A HALF CENTURY OF SERVICE—1949

The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

We write every practical form of Life, Accident, Health, Hospitalization and Medical Expense Insurance.

District Managers and Representatives WANTED

Geo. F. Manselmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Examples of Underinsured Fidelity Losses Presented

Below are presented a number of underinsured fidelity losses, most of them of post-war vintage, from the files of the leading sureties. They illustrate the fact that every kind of business can sustain a loss.

Although a select list, the very substantial amounts by which the losses were underinsured is impressive. There are several cases in which insured loss is less than \$1,000, but less than half of them on bonds of \$1,000.

There is a surprisingly large number of bonds of \$3,000 or less. It is difficult to see how a loss of \$1,000 could hurt a business of any size. Yet one of the basic principles of insurance is that it should protect against the loss that will hurt.

No Satisfactory Formula

Neither agencies nor companies have been able to work out a formula for determining the amount of a fidelity bond a business should carry. Businesses vary a great deal, in size, operation, management controls, etc. Consequently, it is not as simple a matter as it has been in the banking field, to establish a suggestive schedule of this kind, and in the banking field it was an extremely difficult job.

In the banking field the starting point is the total of deposits. In business, the average bank balance plus inventory multiplied by turnover would be an amount on which to base a formula. But what percentage of this amount should the fidelity bond be, 10%? Unquestionably, few if any bonds reach that proportion.

Illustration of Actual Loss

The company and agency man working on fidelity prospects often has some rule of thumb he uses. He does the best he can. Perhaps the best sales argument is to have an illustration of a loss in the prospect's own business, to give him an idea of how much he ought to have. To place the bond at all is quite a victory, and the sale of fidelity coverage to business is still in that stage. For this purpose, it is always well to point out that the prospect's competitors carry fidelity bonds, if the agent can do that.

When considering the size of the bond, one idea is to stress the basic principle of buying enough to cover a

loss that will hurt the firm substantially. Another idea is that the agent should not, although some of them as well as buyers do, assume that the fidelity bond covers the loss of money only. The agent should make it clear that it covers losses through embezzlement of goods. The sales and warehousing controls of any business can be manipulated. Materials can be drained off, raw or finished, with which the company does business.

WHAT PAYS LOSS?

One question the agent might ask, when attempting to place a bond, is, "When you have a fidelity loss, where is the money coming from to pay for it?" Few prospects will have an answer. The money has to come from some place, and it can only come from profits, reserves, capital or credit. In a very real sense, the firm that buys a fidelity bond is insuring its profits, then if the loss grows (without, of course, the proprietor's knowledge) it will eat into reserves and capital and finally into the credit of the concern, perhaps fatally.

It is perhaps ridiculous for an insured to take a commercial blanket bond sufficiently large to cover his maximum possible loss. Then in a very real sense insured is assuming part of the risk himself when he buys a fidelity bond. He should be made to recognize this when the bond is negotiated, to avoid that frustrated feeling of having been ill advised by the agent.

Business Interruption Comparison

Since the loss must come out of profits, and the agent can term a fidelity bond profit insurance to a degree, it would be interesting to know if insured carries business interruption coverage. Then the agent can draw the parallel between the two forms. Both are designed to protect his profits, guard his capital and reserves and preserve the business structure from being badly, perhaps fatally crippled. An uninsured loss in either case comes from profits, reserves or capital. If he buys a substantial amount of interruption insurance he has only closed one door when a second one needs closing.

Business	Position	Loss	Amount of Bond	Insured's Loss
Furniture Store	Cashier	\$ 20,288	\$ 5,000	\$ 15,288
Hardware Dealer	Watchman and Janitor	11,985	2,500	9,485
Auto Dealer	Bookkeeper	6,652	2,500	4,152
Wholesale Grocery	Warehouseman	17,300	10,000	7,300
General Merchandise	Sales Clerk	7,350	2,500	4,850
Steamship Co.	Accountant	20,000	10,000	10,000
Movie Theater	Manager	5,059	2,500	2,559
Fraternal Organization	Secretary	4,302	1,000	3,302
Grocery	Cashier	14,801	10,000	4,801
Real Estate Broker	Cashier	1,656	1,000	656
Furniture Store	Credit Manager	1,983	1,000	983
Hospital	Auditor	81,560	5,000	76,560
Department Store	Clerk	7,000	2,000	5,000
Mercantile Store	Part-time Worker	13,000	10,000	3,000
Grain Merchant	Several Employees	100,000	15,000	85,000
Army Officers' Club	Secretary-Treasurer	9,000	2,000	7,000
Electric Coop.	Cashier	5,300	2,500	2,800
Hospital	Bookkeeper	15,400	1,000	14,400
Apartment	Manager	8,000	2,000	6,000
Insurance Agency	Cashier	81,000	17,500	63,500
Insurance Agency	Secretary	30,000	5,000	25,000
Brewery	Cashier	20,000	10,000	10,000
Theater	Auditor	80,000	13,750	66,250
Auto Accessories	Cashier	5,700	2,500	3,200
Department Store	Porter	5,000	2,500	2,500
Lumber Company	Bookkeeper	17,000	2,500	14,500
Hotel	Desk Clerk	4,350	2,500	1,850
Finance Company	Secretary-Treasurer	39,000	25,000	14,000
Credit Union	Treasurer	6,600	4,000	2,600
Credit Union	Treasurer	5,485	3,000	2,485
Auto Supplies	V.-P. and Genl. Mgr.	180,000	20,000	160,000
Dentist Office	Cashier	4,483	2,500	1,983
Real Estate	Agent	8,340	3,000	5,340
Chemical Company	Secretary-Treasurer	6,000	2,500	3,500
Transportation Line	Agent	15,593	2,500	13,093
Financial Company	General Manager	65,392	10,000	55,392
Manufacturer	Manager	10,343	2,500	7,843
Manufacturer	Secretary-Treasurer	43,395	2,000	41,395
Publisher	Salesman	2,786	1,000	1,786
General Store	Manager	3,200	2,500	700
Retail Store	Shipping Clerk	7,000	2,500	4,500
Auto Distributor	Salesman	4,000	2,500	1,500
Importing Co.	Assistant Manager	16,000	4,000	12,000
Supermarket	Cashier	8,000	5,000	3,000

(CONTINUED ON PAGE 29)

Aetna "Old Grad" Tells Pupils How to Achieve Confidence

John B. Swift, a representative of Aetna Casualty at Brooklyn, was the guest speaker at a banquet at Hartford Canoe Club bringing to a close the 107th session of the Aetna Casualty sales course.



John B. Swift

Mr. Swift, who completed the course 10 years ago, was invited to address the graduates of this session because of his insurance achievements, according to Amos E. Redding, assistant secretary of Aetna and head of the sales course.

Pointing to the necessity for the agent to sell himself, Mr. Swift declared that this could not be undertaken successfully until a thorough knowledge of the general insurance field had been acquired.

Mr. Swift said the Aetna course was the turning point of his business career. He stressed the importance of being active in civic affairs. Through his participation in these activities, he added, he had gained a widespread acquaintance among merchants and community leaders.

He emphasized the importance of properly writing insurance which would fit the individual requirements of each situation and told the graduates that confidence gained by the agent in this manner often would lead to securing additional business in other lines.

Comprehensive personal liability and accident insurance were described as "lead lines" by Mr. Swift. He praised the Aetna plan as a valuable asset in closing prospective sales.

Top standing in the class was attained by Richard H. Allsopp of Lakeland, Fla. Other winners of blue ribbon awards were: Jasper H. Hayward of New York; Robert V. Lamar of North Little Rock, Ark.; Edwin G. Petrosky of East Chicago, Ind.; J. Norman O'Connor of Putnam, Conn.; Mark A. Toal, Jr., of Philadelphia, and Ray M. Paul of Richmond, Va.

Gold ribbon awards, presented to students demonstrating outstanding skill in soliciting techniques, were given to Lamar, Hayward, O'Connor and Paul F. Pfenniger of New Castle, Ind.

The 35 agents attending the course represented a total of 19 states.

U. S. Insurers No Longer in on Greek Projects

WASHINGTON—The army engineer corps has finished its task of supervising construction work in Greece under the Truman plan for aiding that country, and economic cooperation administration has taken over the job of financing highway, railroad and bridge construction there. It will operate with U. S. public roads administration exercising advisory functions with respect to government agencies in Greece, according to report, as the roads administration is operating in Turkey in connection with highway construction work.

The plan is to continue highway and railroad construction in Greece under Greek contractors, who will buy their own insurance. The Turkish government has an insurance organization.

Greek insurers have been carrying workmen's compensation coverage for Greek employees of the American firms of Atkinson-Drake-Park, which had a contract from the engineer corps for highway and railroad construction, and Steers-Grove, which has finished reconstruction of Greek port facilities and the reopening of the Corinth canal. Greek companies also carried liability

and automobile coverage under these contracts.

Liberty Mutual carried compensation coverage for U. S. employees of U. S. contractors.

W. F. Sullivan, who had served since 1942 with George Morrissey, chief of the engineer corps insurance division, died in Greece not long ago while on insurance duty there. Starting with Travelers at Hartford, Mr. Sullivan had, before being assigned to Greece, worked with the insurance division on the west coast, which has charge of insurance

matters in connection with engineer corps construction operations in Pacific islands from Hawaii to Okinawa.

Brokers Elect June 14

SAN FRANCISCO—Society of Insurance Brokers will meet June 14 for the semi-annual luncheon and election of members of the governing committee and grievance committee.

Nominated for the governing committee are Detrick & Ruppel Co., Johnson & Higgins of California, Grant-

Birkholm & Co., Jack V. Lum, R. G. Hamilton & Co., Marsh & McLennan, Fred S. James & Co., and Tilden & Larkin. Nominated for the grievance committee are Kenneth V. Manion and Stanley Smidt of Ennett & Chandler.

Reid Joins A.F.I.A.

Edward Reid, formerly an underwriter of W. H. McGee & Co., New York City, has been appointed marine underwriter in the office of American Foreign Insurance Assn.



If you are a U.S.F. & G. Agent
YOU ARE THIS MAN!
(This advertisement, one of a series promoting good will for U.S.F. & G. Agents, appears in these magazines.)
NEWSWEEK NATION'S BUSINESS U. S. NEWS
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"Consult your Insurance Agent or Broker as you would your Doctor or Lawyer"



This man made the difference

He is your Insurance Agent.

He is the reason why one company will lose nothing . . . where another company will be forced to shoulder heavy losses.

So long as locks can be picked, fences scaled and windows smashed, your company requires protection against burglary and theft loss and damage.

There is a USF&G agent in your community who will work out an insurance program for your company that includes the proper protection. Consult him today.

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United States Fidelity & Guaranty Company, Baltimore 3, Md.
Fidelity & Guaranty Insurance Corporation, Baltimore 3, Md.
Fidelity Insurance Company of Canada, Toronto

Insured's Loss
\$ 15,288
9,485
4,152
7,300
4,850
10,000
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3,302
4,801
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982
74,560
5,000
3,000
85,000
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14,400
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13,092
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41,395
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12,000
3,000

Martineau Goes to New Unit in Mutual Benefit H. & A. Group

NEW YORK—Walter F. Martineau, deputy superintendent of the New York department since 1943, is resigning to become executive vice-president of Companion Life incorporation of which was completed Tuesday. The company will start with \$500,000 capital and \$1 million surplus, the stock wholly owned by Mutual Benefit Health & Accident of Omaha.

V. J. Skutt, president of Mutual

Benefit H. & A. is president of the new company, but it is a New York corporation and Mr. Martineau will be the active operating head. It will write all forms of ordinary life and have head offices at New York. Prior to joining the department Mr. Martineau was a partner in the Syracuse law firm of McCurran, Farmham & Martineau.

United Benefit Life, running mate of Mutual Benefit H. & A. also operates in New York.

Ben H. Fronk, Manitowoc, Wis., past president of Wisconsin Assn. of Insurance Agents, has been named chairman of the 1950 Community Fund campaign there.

"Almost Gloating" Female Minister Is Rebuked

Much interest is being taken in the message that was delivered by Sir Arthur S. Rogers, chairman of London & Lancashire, at the annual stockholders meeting regarding the position of British insurance overseas and the socialization program at home.

Sir Arthur said that in the report and accounts of London & Lancashire that had been circulated, he had refrained from referring to the attitude of the British government towards insurance. He omitted such reference, he said, at that time, because there were definite indications from the prime minister and the chancellor of the exchequer that there was no intention of interfering with the world-wide operations and the latest proposals of a committee of the labor party, since they do not carry with them any government backing, cannot yet be treated as authoritative. However, he said that some of the stockholders had asked that he make some reference to this problem.

Sir Arthur recalled that during the war and in the immediate post-war years he was in close collaboration with the government departments handling insurance matters. Those departments were fully informed of the importance to the country of what the insurance industry was doing, and he said the government was also entirely sympathetic and helpful in facilitating the carrying on of the operations.

Cites Cripps' Declaration

Sir Arthur repeated the assurance that was given by Sir Stafford Cripps in the house of commons Nov. 12, 1945, to the effect that the government has no intention of interfering with the transacting of insurance business by private enterprise, save to the limited extent to which insurance at home may be affected by the existing proposals relating to personal social insurance and industrial injuries. "It is the desire of the government that insurance should be in the future as in the past, dealt with on an international basis and as business of an international character," the Cripps declaration concluded.

That statement, Sir Arthur said, continues to be of the greatest value abroad. He expressed the opinion that Sir Stafford would not have made that statement unless he had been fully satisfied as to the course he was taking. In fact, he repeated the statement word for word in July, 1947.

Sir Arthur said that 1948 was a banner year in the volume of dollars and other foreign exchange brought to the British exchequer by British insurance companies and hence nothing has happened to modify the views which Sir Stafford previously held.

Gloating Minister

"I saw in the press the other day that one of the junior ministers had said that she was almost gloating over the fact that industrial assurance was to be nationalized," Sir Arthur said. "I am not quite sure what it is to almost gloat, but it is not something that serious people are accustomed to in dealing with the vital interests of our country and I should very much doubt whether the junior minister in question realized what the proposal in regard to nationalizing industrial assurance really carried with it."

"What I feel, therefore, is that we insurance companies who are most concerned with international insurance—just as, for instance, the Prudential and the Pearl are concerned—should keep the government departments fully informed of the definite evidence which is already accruing to us from overseas of the damage which is bound to result to the insurance companies, and therefore to the economy of the country, from any proposals of the kind put forward by the committee of the labor

party. This aspect of the matter is being dealt with by a committee of chief insurance officials."

"One of the companies selected for nationalization is the Royal London Mutual, whose non-life business in this country is by agreement underwritten and reinsured by the London & Lancashire. It has proved an important and mutually satisfactory arrangement and is one example of the close connection which exists between insurance companies established in this country. It would indeed be quite impossible to carry through a proposition for limited nationalization without damaging the whole insurance structure."

"If, contrary to my expectations, the government accept as an item in their election program the taking over of the corpus of any insurance company transacting business in this country, we shall be forced to realize that political theories have triumphed over national considerations and we shall have to shape our course accordingly."

Tradition Is Anathema

Deputy Chairman H. R. Mosenthal asserted "I cannot too strongly emphasize that British overseas insurance depends for its success on tradition, fair dealing, and service. How would these fare under nationalization? First, tradition: this is anathema to the present government who gloat over the sale or acquisition of the stately homes of England and are driving many of the owners to seek refuge and relief overseas so that future generations will legitimately describe the present era as the change-over from 'tradition to extratradition'; secondly, fair dealing is unknown to a government who acquire public undertakings at stock exchange prices which have been devalued by its own policy of dividend limitation; and, thirdly, there is no reason to assume, in fact the contrary, that service would be improved in the hands of government officials, so that it is to be hoped that there will be no nationalization of insurance companies, as the dead hand of officialdom would ill replace the glad hand of private enterprise and lead to a very substantial loss in the valuable invisible exports which the insurance companies provide today."

PERSONALS

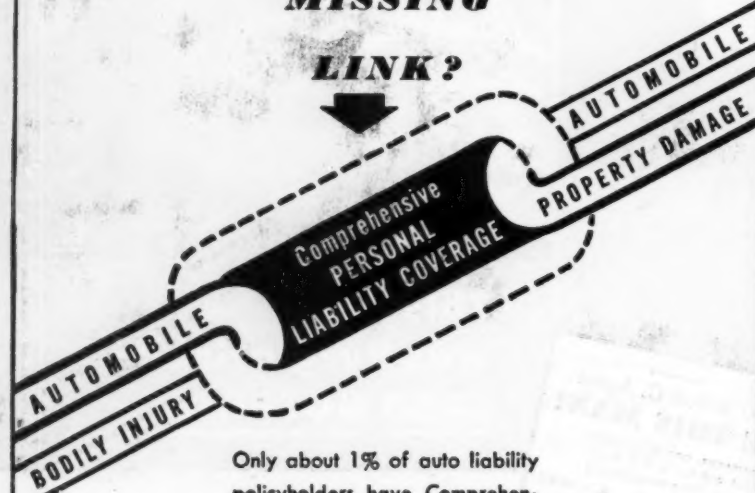
James F. Keating, assistant secretary of Hartford Accident has been elected president of Sales Executive Club of Hartford. R. L. Fosbrink, assistant manager of Aetna Casualty, is a vice-president.

Neville Pilling, U. S. manager of Zurich, is expected to return shortly from a trip to the head office. He made the trip by water.

Climax of the celebration in honor of Gordon H. Campbell, who founded the Aetna Life group general agency at Little Rock 40 years ago, was the appearance of Morgan B. Brainard, president of the group, at the banquet. Representing Aetna Casualty at an earlier open house were C. G. Hallowell, vice-president and Theodore Wickersham of the agency department. There was a luncheon on the schedule for all Aetna representatives and an agency meeting. A reception was held at the homes of Foster Vineyard and Mr. Campbell, who, together with Frank L. Mallory and B. Doyle Colvert, are partners in the general agency.

James S. Kemper, chairman of Lumbmens Mutual Casualty, was elected a trustee of the National Industrial Conference Board at the annual meeting at New York.

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George M. Yamada, Honolulu
Barney Vanston & Co., Dallas

INSURANCE COMPANY

HOME OFFICE — LOS ANGELES

Conn. Agents Oppose Self-Insurance Plan, Socializing Program

Competition of Direct-Writing Mutuals Big Issue at Meeting

By DONALD REAP

NEW BRITAIN, CONN.—At its midyear meeting here Connecticut Assn. of Insurance Agents adopted resolutions opposing legislation aimed at having the state self-insure all its liability and property, favored by an almost unanimous vote company action to make a deductible mandatory on windstorm No. 4 for buildings but not on contents, opposed programs to socialize any industry or profession, and reiterated its opposition to repeal of the Gearhart resolution, the effect of which would be to take away agents' independent contractor status.

More than 300 attended the meeting, at which William W. Hatfield, Bridgeport, association president, was chairman. Charles P. Butler, executive secretary of National Assn. of Insurance Agents, predicted that the multiple location risk underwriting would be solved by July 1, and said N.A.I.A. is participating in its solution.

Commission Position Outlined

Mr. Butler explained the position of N.A.I.A. on commission problems and reported that he was discussing with Inland Marine Underwriters Assn. the problems created by increased commissions being offered on those lines and the resultant interest of several insurance departments in what has been taking place. He said that agents must have a say in determining what is a fair share of the premium dollar to which they are entitled. He deplored the possibility of a commission war and consequent rate wars.

Mr. Butler praised the National Board's program for safety inspections of the nation's hospitals and urged the cooperation of all agents in it. He hopes that National Assn. of Insurance Commissioners at its June meeting at Seattle will back uniform adoption of anti-coercion statutes in every state to combat the influence of finance companies in the automobile insurance business.

Mutual Competition Stressed

Seemingly preeminent in the minds of agents present was the growing fear of competition from, and the loss of business to, direct writing mutuals. Considerable interest was expressed in a talk by William A. Sherry, who has been with the W. T. Beazley agency of New Haven for the past year, and who was with Liberty Mutual for about eight years previous. The cost differential is one which can only be overcome by the agent selling himself and his services as being worth the difference, he said. Agency companies must be certain that their engineering and inspection service does not remain merely that but is broadened into a real comprehensive loss prevention service which the direct writing mutuals are providing. Inspection service is not loss prevention service, he said. Agents must do more to sell the company engineers' advice to clients, he warned, or the startling growth of the direct writers will continue at their expense even more than it has. Their activities will also be felt by group companies in disability benefits states where they intend

to capitalize on their compensation writings, he said.

The sales wedge of the direct writing company's salesmen is the question: "What is your agent doing to deserve the slice of your premium dollar that he is taking?" he said. Agents must better their knowledge and keep it up to date, he said. The C.P.C.U. movement is a good place for the agent to start. An agent can provide better service by checking rates, experience and schedule rating procedures, and by double checking on the errors of underwriters and the bureau. It's the agents business and he's the one who loses it if the rate is too high. He said he found one error in a client's rates, while he was working for a direct writer, which resulted in a change from a 22% debit to a 28% credit in the rate.

Check Fire Rates on Renewal

"Check fire rates on renewal, don't just mail out a notice to your client," he advised. Agents must learn, know, and do more for their clients. The direct writers are bigger than ever, hold regular training and sales conferences, and are keeping up to date on coverages. The agent must be just as progressive, or he'll lose the business he has. Direct writers have been canvassing the big risks heretofore. With business getting tight, they have their eyes on going

after the smaller risks that agents have heretofore thought immune.

Greater participation by agents in the C.P.C.U. movement was urged by Hugh W. Donovan, assistant manager at Hartford for American-Associated. Though the national total of C.P.C.U.'s



W. H. Wiley



W. W. Hatfield

is about half company men and half agents only one agent in Connecticut has the degree. He stressed the importance of knowledge in writing business, and mentioned that the direct writers are emphasizing professionalized training more than they ever have.

Mr. Hatfield reported on legislative developments. One of the most important bills pending calls for the state to

self-insure. The initial money for the project would be derived by cancelling short rate as of July 1 all insurance now placed with carriers. The bill has not passed but is somewhat of a political football. The Republicans in the house are thought to have fallen into a trap which left them favoring the state fund bill in an effort to exploit some discrepancies in the handling of the previous commissions by a state official. Three measures expected to pass include one calling for the addition of a field man to the staff of the Connecticut department to travel the state investigating complaints, another which would prohibit any agent from having more than 50% of his business from his family or employer, and an anti-coercion bill aimed at automobile financing companies. There was a possibility that a stronger financial responsibility bill would pass.

The meeting was held at a country club on a beautiful sunny day. Some of those attending took a turn at golf in the afternoon. A skit put on by the New Haven association featured the bank and agent auto plan. The play was written by William O'Meara and Harold Eberle and was directed by George Chapman. The cast included Harry Furniss of V. F. McNeil & Co., William H. Hull, Antoinette Bourne of

(CONTINUED ON PAGE 26)

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Independents' Claim Managers to Meet at French Lick

The Claims Managers Council of Independent Casualty Insurers will hold their semi-annual meeting at French Lick, Ind., June 13-14. The program will be opened by a discussion of home office claim procedure by L. S. Knipschild, Freeport Motor Casualty. Victor C. Gorton, vice-president Allstate, and Robert D. Denton, vice-president of Wolverine, will speak on the problems of how many claims an adjuster should handle in a given period of time and how much of a staff adjuster's time should be charged against a given coverage. A panel discussion headed by George E. Gantner, Utilities, St. Louis, will consider the subject of loading and unloading as it applies to automobile coverages. Assisting him will be John Reinertsen, Northwestern National, and Howard B. Clark, Manufacturers & Merchants Indemnity. Medical payment coverages and loss handling will be the subject of a talk by E. H. Lasseter, Illinois National, Springfield.

Legal problems peculiar to the several states, unusual procedure, troublesome territories, etc., will be the topic of a general discussion led by John T. Hume, Jr., Indiana Ins. Co. Another panel discussion will have as its subject, suits against the company by assured for excess judgment beyond policy limits, which is to be headed by Paul Risher, vice-president Hawkeye Casualty, assisted by C. C. Hermann, Motor Vehicle Casualty, Chicago, and Mr. Gorton.

Claims problems presented by the membership will be discussed by a forum consisting of Dale Whisler, Hoosier Casualty; Russell Fish, American States, and Mr. Hume. Mr. Hume will also be featured as an after-dinner speaker on interesting and humorous claims situations.

Part of Union Labor Moves

NEW YORK—Union Labor Life has moved the actuarial, accounting, auditing, policyholders' service, group, purchasing, stock, personnel and employee welfare departments to 200 East 70th street here. President Matthew Woll, Executive Vice-president Edmund P. Tobin, and the agency, investment and mortgage loan departments remain at 570 Lexington avenue.

Catlin Stresses Enforcement as Traffic Solution

WASHINGTON—Lack of effective and impartial enforcement of motor vehicle laws throughout the country must be remedied before appreciable progress can be made in reducing highway accidents, Robert I. Catlin, vice-president of Aetna Casualty, warned in addressing the President's Highway Safety Conference.

Mr. Catlin declared that too frequently lack of enforcement is attributed to public indifference and the public's unwillingness to support a more rigid program. Such reasoning is merely an excuse for lack of constructive and aggressive action. Safety specialists know that the key to the most effective and immediate prevention of accidents is impartial enforcement of sound traffic and motor vehicle licensing laws.

Few states are doing the job they would like to do, should do, and are capable of doing, he said, principally because they have insufficient funds, lack of adequate manpower, and must combat political influence.

Enforcement Funds Insufficient

He pointed out that some states do not charge enough for a license to pay for effective administration. It is difficult to understand why, in view of the taxes imposed in most states upon motorists and the revenues obtained thereby, there should be any hesitation about making sufficient appropriations for doing an adequate enforcement job, Mr. Catlin said.

There is considerable instability in the administration of many motor vehicle departments due to the relatively short time most motor vehicle commissioners hold office. Since the war there have been 35 changes in motor vehicle administrators throughout the country. In practically all states the position of motor vehicle administrator is appointive, and involves selection based on political affiliations.

Question of Political Influence

As for political influence, he observed that millions of drivers would unquestionably be denied operating licenses if their operating record, physical fitness and ability to drive were properly checked and dealt with. Too many operators licenses are issued, renewed and reinstated contrary to public interest because of political influence.

Mr. Catlin, who is chairman of the Connecticut highway safety commission, pointed out that although automobile fatalities dropped slightly in 1947 and 1948, both the number of accidents and the number of people injured in accidents are steadily increasing. Only a few years ago, he said, there were approximately 30 personal injuries to one fatality but, in 1948, the ratio had climbed to 50 to 1.

He listed factors that may tend to make the automobile situation more serious, mentioning the continuing increase in the number of cars on the road, the number of over-age, and mechanically unsafe, vehicles being operated, the record number of miles being driven, the rapid increase in population and the poor condition of many streets and highways.

Declaring that the basic problem facing safety authorities "is not what to do but how to get it done," Mr. Catlin stated the President's highway safety conference is performing an important function. Unless the states move more aggressively in adopting measures for uniform regulation of automobile operation, the public will insist on some agency, federal or state, tackling the situation.

To Name Casualty Actuary

LANSING, MICH.—Although the Michigan department's appropriation was considerably less than that sought

by Commissioner Forbes, a sufficient increase was granted to make some personnel additions.

There was an over-all increase of \$41,712 over the previous year but \$25,000 of this is earmarked to rewrite and republish the insurance code.

The department is to have a new casualty actuary, but Commissioner Forbes has not yet found a suitable man for the post. He hopes to make this appointment by July 1. Two more stenographers also are to be added. The commissioner had asked sufficient funds to set up a new complaint division, with a director and secretary, and two other clerical workers.

Atlantic Mutual Indemnity Revises Premium Calculator

Atlantic Mutual Indemnity has completed revision of its pocket-size residence and outside theft premium calculator and is sending it to agents and brokers. The new calculator is made of heavy glossed cardboard and provides more than 1,600 separate calculations with one adjustment of the slide rule. All rating territories in 25 states are covered.

First perfected by Atlantic in 1945, the calculator enables immediate determination of premises rates for divided coverage, 100% blanket and 50% blanket in varying amounts through one setting. Away from premises rates are determined through a separate setting. One side of the calculator is devoted to private and two-family houses and the other to apartments, flats, hotel rooms and penthouses.


J. E. Murphy Co., Minnesota general agents, celebrated their third anniversary in their new offices at Minneapolis. The Murphy company is now represented by 224 local agents throughout Minnesota and is exclusive general agent in Minnesota for General Casualty of Wisconsin and Stuyvesant of New York.

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American Auto Elects Hughes V.P.

James R. Hughes has been elected vice-president of American Automobile and American Automobile Fire.

Mr. Hughes has been resident vice-president at Philadelphia for American Auto since 1930. He will remain in that city and continue executive direction there, but his responsibilities will extend to policy administrative affairs for other mid-eastern offices.

Mr. Hughes graduated from the U. S. Naval Academy in 1921 and after six years of service joined American Auto in 1927. He has served at Chicago and St. Louis and organized the Columbus office in 1929.

Seek to Fashion Uniform Approach to Problem of Fire Legal Liability Cover

NEW YORK—The casualty and fire people now are making an effort to work out a common approach to the writing of fire legal liability coverage, and are reported to be showing progress. The aim is to fashion a uniform coverage at a rate that would be determined the same way by both casualty and fire carriers and that would be what buyers could afford to pay.

Few companies, either fire or casualty, have been willing to write the protection, though the casualty companies perhaps have been more approachable with their property damage coverage. The rates have differed because there has been little or no experience and it has been up to the judgment of the underwriter of the particular company. The coverage itself has varied, and the buyers have not been certain as to just what they needed or wanted or could afford. Interest has grown, however, with the increasing number of cases of subrogation by fire carriers against those responsible for starting the fire which communicated to adjoining premises.

There are two prongs to the problem, the one involving property in the care, custody and control of insured, an example of which would be the warehouseman, and the other liability to neighboring off premises property. Effort has been made in the past to get fire rating organizations to take hold and produce a form and rate, but they have yet to do so. Perhaps the current effort will be successful. Some fire companies that write the cover charge the full fire rate without coinsurance.

Mutual Companies to Hold Accounting Rally at Chicago

Conference of Mutual Casualty Companies will conduct an accounting and statistical office methods and procedures meeting June 30-July 1 at the Stevens Hotel, Chicago.

General chairman will be Robert B. Goode, Allied Mutual Casualty, assisted by E. L. Sherard, Equity Mutual, chairman of the accounting and statistical committee and C. E. Gloss, Allied Mutual Casualty, chairman of the office methods and procedures committee.

Speakers on accounting and statistical subjects will be W. B. Wilcox, Farm Bureau Mutual Auto of Columbus, on "Uniform Accounting," and Frank M. Mittelbuscher, State Farm Mutual Auto, on "Regulation 30—General Administration Expense." There will be a panel discussion on uniform accounting.

At the session on office methods and procedures, talks will be given by E. A. Rule, Farm Bureau Mutual Auto; R. M. Kelliher, Farmers Mutual Auto; E. B. Rust, State Farm Mutual; E. L. Brandt, Auto Owners, and M. K. Doehler, Jr., Equity Mutual.

Minn. Insurer Hikes Capital

Casualty Underwriters, Inc., of St. Paul, owned wholly by agents, is increasing its capitalization from \$200,000

to \$400,000 and by July expects to have about \$350,000 paid in, including capital and surplus. Starting June 1, it is writing business on a six months basis only, to enable agents to write a larger volume on the present capital setup.

It is now writing automobile insurance only, with a premium income of about \$300,000 for the first five months. When the \$400,000 mark in capitalization is reached, it expects to start writing other lines.

Okla. Commission Shifts

Leverett Edwards, Oklahoma City attorney, has been appointed a member of the Oklahoma industrial commission to fill the vacancy caused by the resignation of Judge Lucius Babcock, chairman. Morris Thomas, commission member, was appointed chairman. The commission was reorganized under the recently enacted law which increases salary for members to \$7,200, and for the chairman to \$7,500 a year.

Law Quits as Reserve Head

Fred E. Law has resigned as president of Reserve of Chicago. The directors of the company will fill his post at a meeting to be held soon and Mr.

Law will announce shortly his future plans.

Prior to the war, Mr. Law was a loan agent for insurance companies and also had an interest in the Law Brothers local agency at Chicago. He served as an army lieutenant colonel.

The company will move its home office from the Field building to 180 West Adams street, Chicago, after Aug. 1.

Dissolve Milwaukee Group

MILWAUKEE—Milwaukee County Board of Casualty & Surety Underwriters at a special dinner meeting voted approval of the recommendation of officers and directors to disband and dispose of the surplus funds. Its continuance was deemed no longer necessary since Milwaukee Board of Underwriters, formerly an exclusive fire board, has recently embraced both fire and casualty business. The casualty board will disband as of Sept. 1 and the remaining surplus funds will be turned over to the Milwaukee Board. Most of the casualty agent and solicitor members already belonged to the old fire board and arrangements will be made for affiliation of the others.

Seek Increased Rates

ST. PAUL—Companies writing compensation coverage went before the Minnesota compensation insurance board June 7 with a proposal to increase rates 6.1 per cent to meet increased benefits allowed by the last legislature.

Quincy Board Names Quinn

New officers of the Quincy, Ill., board are: President, Claude Quinn; vice-president, Milton Grille; treasurer, N. M. Winters, and secretary, V. G. Muselman.

Home Employes' Outing

The 59 Maiden Lane Club, the home office organization of Home, held its annual outing at Bear Mountain, New York, this week with more than 2,000 on hand.

Speed Ill. Admission Bill

The Illinois senate has favorably reported the bill allowing benefits for hospital, nursing, medical and surgical services, to be paid directly to the hospital at the insurer's option. The bill already has passed the house. This is the measure that is designed to facilitate the work of the Chicago Hospital Council in its hospital admission plan on group policies.

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Ponder School Bus Problem in Ill.

C. L. Morris of Illinois National Casualty was elected president of Illinois Bureau of Casualty Insurers at the recent annual meeting at Freeport. R. M. Seeley, Economy Auto, is first vice-president; J. E. Faust, State Automobile of Indiana, second vice-president; J. C. Bishop, Ohio Farmers, secretary; Lloyd Trunk, Western States Mutual, treasurer, and S. A. Bell, assistant secretary-treasurer.

There was considerable discussion of the problem in Illinois of insuring school buses due to a supreme court decision that there is no legal liability for schools and, therefore, it is illegal for the school board to purchase school bus or any other type of liability insurance. Coverage for individual board members is proper, but the board has no legal right to use board funds to purchase liability insurance for the board or for individual members.

Russell Matthias, Chicago attorney, told the group that if they take school buses they better get paid in advance, because if they are on the risk they may be subject to liability and if the premium has not been paid, there is no

authority to enforce collection of the premium. Also he said, if an insurer is on a risk, it can't get out of liability by saying that it had no authority to place the coverage.

Mr. Matthias said the only way that the risk ought to be covered is through the driver, having him place the coverage and having the school board reimburse him by paying him more salary. From the school board's standpoint, the reimbursement would have to be for mileage or salary, or some other item since they do not have authority directly to place coverage with an insurer for school buses.

Premium Held Earned

In answer to a question as to whether there is any possibility that buses written in the past and paid for by the school board are not covered, Mr. Matthias expressed the belief that the premium has been earned. However, he voiced the belief that any time an insurer is writing a school bus today and takes it from the school district, it has no authority to give coverage and is running in hot water.

George Casey, Motor Vehicle Casualty, introduced C. M. Kinney as the next manager of Illinois Automobile Assigned Risk Plan, effective July 1. He recently resigned as deputy in charge

of automobile writing for the Illinois department.

Mr. Casey said that there have been some differences with National Bureau of Casualty Underwriters on the charges for operating the assigned risk plan. This matter has been under negotiation since February. The cost to the insurers in Illinois has been \$2.64 per assignment. This compares with Washington at \$1.57; New York at \$1.92.

The membership of the bureau now totals 33 and the direct writings in Illinois of members and subscribers for 1948 were \$25,820,576.

The assigned risk plan headquarters will be at 166 West Jackson boulevard. Before serving with the department Mr. Kinney was a broker. Earlier he had been Chicago manager of American Automobile and before that was with Travelers.

Joint Educational Rally

Representatives of practically every insurance organization in San Francisco except life will attend the fourth annual joint meeting to discuss educational coordination and programs June 15.

This "liaison" meeting was inaugurated by the educational committee of Fire Underwriters Assn. of the Pacific and resulted in the establishment of new courses and expansion of others. John E. Clark, American, chairman of the F.U.A.P. committee, will preside.

New Reinsurer Launched by Atlanta Agency

ATLANTA—Great Southern Ins. Co., a wholly-owned subsidiary of Lipscomb-Ellis Co., has been licensed to write all types of insurance except life.

Rutherford L. Ellis is president; Edwin P. Lochridge, executive vice-president; C. Sims Bray, Jr., vice-president; Charles H. Clement, secretary, and Jack S. Baldwin, treasurer. Mr. Ellis said the new company is beginning business with paid-in capital of \$100,000 and a paid-in surplus of \$100,000.

For the time being, President Ellis said, the new company will engage in reinsurance only.

Conn. Agents Oppose State Self-Insurance Proposal

(CONTINUED FROM PAGE 26)

the North agency, H. Sage Adams and R. L. Thatcher of the New Haven bank.

George Goodwin, deputy commissioner, brought greetings from the insurance department. The report of the resolutions committee was presented by David North, New Haven. William H. Wiley, executive secretary of the Connecticut association, did another excellent job of putting on an all around coordinated and smooth program.

Dineen Maps Study in Europe of Social Plans

NEW YORK—Superintendent Dineen of New York will leave July 27 for a three week visit to London, Copenhagen, Oslo and possibly Paris, where he will study what the effect has been of compulsory prepaid medical schemes on the private insurance business in those countries.

Faith and Smith Named

Ross Underwriters, Inc., metropolitan and suburban general agency, New York City, has named R. M. Faith, manager of the automobile department and George F. Smith, manager of ocean and inland marine. Mr. Faith was with Aetna Life, J. S. Frelinghuysen group in charge of automobile, and with his own agency. Mr. Smith has been with W. H. McGee & Co., Royal-Liverpool, Pacific National, and Louisville F. & M.

G. Frank Brown, secretary-manager, of Newhouse & Sayre of California at Seattle, has been transferred to Los Angeles in a similar capacity. Mr. Brown joined Newhouse & Sayre in 1936. He opened the Seattle office in 1947.

Virginia Agents in Annual Session

The annual convention of Virginia Assn. of Insurance Agents is underway this week at Roanoke with an attendance of approximately 500.

Speakers include Walter M. Evans, Richmond, on "Growing Menace of the Co-operative Movement," and Lawrence Sullivan, on "Private Enterprise Outruns the Welfare State". Mr. Evans is counsel for Virginia Associated Businessmen and Mr. Sullivan is executive editor of National Business News. E. H. Luecke, of the agency department of Fidelity & Casualty, will speak on "Selling DDD—the Modern Crime Protection."

John C. Stott, N.A.I.A. president and E. H. Kingsbury, assistant director of education for Royal, will speak on "It's Your Business" and "Value of Insurance Education to the Local Agent".

Opening the activities on Thursday afternoon is a golf tournament at Roanoke Country Club, featuring the teams of agents and company men.

There will be a past presidents' dinner with J. V. Arthur, Winchester, presiding, and an evening meeting of the directors.

Under the auspices of the education committee, a breakfast conference is being held Thursday at which Wayne W. Thompson, assistant dean of the American Institute, is explaining requirements for the designation of C.P. C.U. Theo W. Kelley, Richmond, chairman of the education committee, presides.

Business sessions begin Friday morning. Warren F. Curtis, of Richmond, president of V.A.I.A., will preside over the business sessions and will deliver the report of the administration. Nominations for directors and awarding of the Bernard P. Carter Cup to the local association which contributed most during the years to the industry will also take place the same day.

An executive session will close the day's activities. Mr. Stott will install the incoming officers and directors at a banquet, when presentations of Stock Fire Field Club of Virginia award and the past presidents' award will take place.

Wiley New President

R. F. Wiley of Agricultural has been installed as president of Suburban New York Field Club. Vice-president is Walter F. Ficke, Providence Washington; secretary, Henry Tesche, Provident Fire; treasurer, C. M. Bowman, American.

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Close Analysis of 1948 Auto Results Is Given

The New York department has released a study of automobile bodily injury and property damage experience in 1948, taken from the casualty insurance expense exhibits filed by New York entered insurers. For auto B.I. the figures are given for the individual companies, but for P.D. the aggregates only are shown. The tables show country-wide earned premiums and incurred losses on a net premium basis after reinsurance. Incurred losses are based on case estimate reserves and exclude allocated claim expenses.

Because of fluctuations in premium volume from year to year, expense ratios have been adjusted so as to relate certain types of expense to written premiums in order to present more accurate results. Expense ratios do not include federal income taxes.

For stock companies, the earned auto B.I. premiums went up from \$347,455,921 to \$416,951,566 and the loss ratio on an incurred to earned basis dropped from 55.4 to 52 and the expense ratio declined from 45.8 to 44.4. Mutual company earned premium total advanced from \$81,511,357 to \$100,929,855 and the loss ratio dropped from 56.4 to 51.5. The expense ratio was higher by a hair, being 34.2 as against 34 in 1947.

Auto Bodily Injury STOCK COMPANIES

	Underwriting Ratios					Expense Analysis				
	Net Premiums	Losses	Exp.	Net gain	Claim	Acq. & fd.	Gen.	Insp. &	Taxes &	
	written	incurred	adm. to	(adj.)	exp. to	sup. to	adm. to	bur. to	fees to	
	\$	earned	earned	(adj.)	earned	written	earned	earned	written	
Accident & Cas.	1,954,337	2,071,471	52.3	50.2	-2.5	10.7	27.0	6.9	2.3	
Aetna Cas.	23,128,500	21,729,093	46.7	46.9	6.4	9.2	27.3	6.8	.7	
Allstate	15,889,674	13,556,457	45.8	39.6	14.6	11.2	16.6	7.7	1.6	
American Auto	15,222,799	14,665,132	38.5	47.9	13.6	10.5	30.0	4.3	.5	
American Casualty	2,012,099	2,052,507	57.5	55.0	-12.5	27.0	2.6	14.1	3.4	
American Employers	4,586,075	4,544,844	54.9	46.2	-1.1	9.6	27.2	5.6	.9	
American Fld. & Cas.	7,539,743	7,403,156	64.0	28.7	7.3	7.8	12.1	1.8	2.8	
American Guar. & Liab.	1,063,163	820,901	46.4	47.5	6.1	9.3	25.8	6.4	2.0	
American Motorists	5,663,648	5,412,857	48.0	35.6	16.4	7.3	19.8	5.0	.7	
American Policyholders	741,193	562,392	47.5	32.4	20.1	28.9	36.8	28.2	6.9	
American Surety	7,732,030	6,822,116	58.3	49.9	-7.3	6.4	27.1	9.4	2.9	
Arex Indemnity	82,368	70,507	-2.6	34.4	68.2	4.9	12.1	13.2	.7	
Associated Ind.	185,525	223,451	10.2	43.1	46.7	21.3	14.6	2.1	1.9	
Bankers Indem.	4,432,918	4,229,752	54.8	50.8	-5.6	11.3	24.1	10.8	1.6	
Car & General	1,314,701	1,323,992	46.2	61.2	-7.4	17.0	27.9	11.4	1.9	
Central Sur.	4,399,881	4,360,995	65.5	33.1	1.4	13.5	12.6	4.0	.6	
Century Indem.	7,443,534	7,131,861	54.0	47.6	-1.6	10.0	27.4	5.4	1.3	
Citizens Cas.	1,505,086	1,439,048	49.2	44.6	6.2	14.6	21.1	6.0	.5	
Columbia Cas.	1,778,561	1,748,027	63.7	54.3	-18.0	13.1	25.4	10.7	1.7	
Commercial Cas.	8,209,133	7,365,003	56.9	44.3	-1.2	8.0	24.9	6.9	.9	
Connecticut Indem.	2,051,808	1,931,794	40.6	47.8	10.6	8.7	24.2	9.7	2.4	
Continental Cas.	10,775,014	9,939,610	45.5	47.4	7.1	11.8	23.1	8.6	1.3	
Eagle Indem.	1,552,305	1,472,328	61.8	42.8	-5.6	8.8	24.2	6.2	1.3	
Employers Liability	9,904,139	9,730,536	51.6	45.3	3.1	9.9	25.4	6.2	.8	
Fidelity & Casualty	19,942,566	17,665,576	56.9	41.9	1.2	8.6	23.1	5.4	1.8	
Fireman's Fund Indem.	8,351,576	7,762,525	58.5	47.3	-5.8	10.1	24.3	8.5	1.3	
Gen. Acc.	13,431,527	12,541,683	53.4	44.4	2.2	11.5	24.1	5.0	.7	
General Cas., Seattle	6,392,081	5,308,624	40.3	46.5	13.2	7.7	30.0	5.4	1.1	

(CONTINUED ON NEXT PAGE)

Veteran Employees of Security Mutual Saluted

Inaugurating a system of special service awards, Security Mutual Casualty of Chicago recently paid tribute to 34 active and retired employees who have had nearly 700 years of accumulated service with the organization. Presentation of awards was made in the Chicago, Boston and New York offices.



John R. Kitch

John R. Kitch, president, who has 32 years of service, and William J. Zeiter, secretary, 18 years, conceived the awards which are gold and silver pins with individual stars denoting each five years of service.

The home office presentations were made by Mr. Kitch at a dinner which all employees attended with their families and followed a reception in the company's new quarters. The principal address at the dinner was given by J. F. Brandt, senior director and vice-president and comptroller of Swift & Co.

Mr. Kitch said that company morale has always been high and employee turnover at a minimum. Not one employee who saw war service failed to return, he remarked.

H. G. Hermanson, former office manager, who is now retired under the pension system, was the oldest in point of service. Also two retired presidents of the organization, T. M. Coen, 34 years' service, and J. R. Fink, 30 years, received awards. Active employees with 25 years' service or more were H. R. Brehm, 33; J. G. Bancroft and R. M. Moore, both 28, and A. M. DeNike and W. C. Dillon, both 25 years. Fourteen other members with less than a quarter century of service also received recognition.

Mr. Kitch presented the Boston office awards at a dinner to Manager R. E. Howe, 33 years' service, and three others.

New York office presentations were made by Mr. Kitch at a dinner. They included Manager E. N. McNamara, 21 years' service.

Hear Medical Society Head

The June meeting of Buffalo Assn. of A. & H. Underwriters had Dr. Carlton Wertz, president of New York State Medical Assn., as guest speaker.

"SERVICE
THAT
RENEW'S"

Pacific Employers Insurance Company

Victor Montgomery, President



HOME OFFICE: LOS ANGELES

BRANCH OFFICE SERVICE FROM COAST-TO-COAST

(CONT'D FROM PRECEDING PAGE)

General Tr. C. & S.	3,761,935	3,703,505	58.1	21.5	20.4	7.5	5.1	5.6	.3	3.0
Glens Falls Indem.	4,801,309	4,283,099	47.3	49.3	3.4	9.1	27.7	7.8	1.2	3.5
Globe Indem.	9,312,331	8,833,969	61.8	43.6	-5.4	8.8	24.1	6.2	1.3	3.2
Great American Indem.	9,218,153	8,628,368	54.2	47.0	-1.2	8.8	26.6	6.6	1.8	3.2
Hardware Ind.	1,831,784	1,558,491	45.7	38.4	15.9	10.6	9.1	14.8	.9	3.0
Hartford Acc.	32,009,645	30,112,528	48.6	43.5	7.9	8.9	22.9	7.2	1.5	3.0
Home Indem.	5,356,555	5,137,284	40.6	49.8	9.6	12.0	26.3	6.8	1.8	2.9
Indemnity of N. A.	11,203,961	11,089,945	55.1	45.3	-4	9.6	24.5	7.6	.9	2.7
Keystone Auto Club Cas.	2,043,447	1,891,777	37.6	39.0	23.4	9.3	19.4	8.9	.2	1.2
London Guar.	2,672,283	3,101,650	54.0	47.9	-1.9	13.5	23.4	5.4	1.3	4.3
London & Lancashire	2,484,632	2,325,502	51.9	50.4	-2.3	9.8	25.8	8.9	1.7	4.2
Manufacturers Cas.	2,880,996	2,754,679	47.3	53.8	-1.1	11.6	29.4	8.3	1.9	2.6
Maryland Casualty	13,472,519	13,024,568	56.6	43.2	-2	9.2	25.1	4.5	1.4	3.0
Mass. Bonding	8,103,777	8,126,581	60.6	43.1	-3.7	9.1	23.5	6.1	1.7	2.7
Merchants Indem.	1,433,808	1,264,413	41.1	44.7	14.2	8.0	26.0	7.0	.3	2.9
Metropolitan Cas.	8,784,304	7,912,727	59.7	44.4	-4.1	8.9	24.2	7.0	.9	3.4
National Cas.	688,762	615,114	52.1	54.1	-6.2	14.4	25.5	8.0	2.4	3.8
National Surety	1,538,018	1,325,871	39.9	66.4	-6.3	13.9	33.3	13.9	2.1	3.2
New Amsterdam	9,297,954	9,032,714	61.5	47.5	-9.0	9.9	25.1	7.8	1.5	3.2
New England Cas.	967,768	847,465	60.8	43.3	-4.1	7.8	20.5	8.5	3.0	3.5
N. J. Manufacturers	977,330	882,624	34.0	15.1	50.9	7.5	1.5	4.7	.8	.6
New York Cas.	2,399,370	2,116,983	58.3	49.0	-7.3	6.4	27.1	9.4	2.9	3.2
Norwich Union Indem.	4,84,989	4,75,528	55.2	45.2	-4	9.5	25.2	6.0	1.2	3.3
Ocean Acc.	3,064,256	3,038,534	60.2	51.7	-11.9	10.6	24.5	11.3	1.7	3.6
Peerless Cas.	1,477,727	1,341,500	36.4	44.5	19.1	9.9	25.9	6.1	.3	2.3
Phoenix Indem.	2,286,233	2,631,109	55.1	49.2	-4.3	11.2	26.9	5.2	1.8	4.1
Preferred Acc.	4,670,526	4,548,362	57.3	63.1	-20.4	18.8	29.0	8.8	2.2	4.3
Royal Indem.	8,537,679	8,097,804	61.8	43.7	-5.5	8.8	24.2	6.2	1.3	3.2
St. Paul Merc. Indem.	8,360,747	7,452,570	46.9	47.9	+5.2	8.7	26.8	7.4	2.3	2.7
Seaboard Surety	66,934	62,377	59.5	55.5	-15.0	15.1	21.7	10.6	5.2	2.9
Standard Accident	9,616,368	7,583,385	30.6	47.6	21.8	11.5	25.8	5.5	2.0	2.8
Sun Indemnity	1,902,268	1,900,613	57.0	51.6	-8.6	16.5	22.3	7.8	1.3	3.7
Travelers Indem.	5,105,498	4,677,989	52.9	39.6	6.5	6.9	23.6	5.3	1.4	2.4
Travelers	35,013,990	32,805,565	53.5	39.8	6.7	7.4	22.7	5.1	1.3	3.3
United National Indem.	1,983,594	1,865,988	42.9	52.2	4.9	11.8	25.5	10.8	1.1	3.0
U. S. Casualty	5,489,761	5,407,579	57.0	42.6	.4	9.2	22.0	6.5	1.2	3.7
U. S. Fidelity & Guar.	23,205,657	20,752,218	52.5	41.8	5.7	7.6	22.5	7.4	1.5	2.8
U. S. Guarantee	1,372,924	2,156,217	45.0	47.7	7.3	7.9	25.8	6.1	.7	7.2
Universal Indem.	238,669	229,663	45.7	38.1	16.2	7.7	21.8	4.8	2.7	3.1
Yorkshire Indem.	884,684	825,774	55.1	53.5	-8.6	12.5	26.7	8.1	2.1	4.1
Zurich	9,580,563	8,651,386	43.0	43.6	8.4	10.5	21.6	7.0	1.6	2.9
1944 Totals	187,144,420	181,022,686	47.1	47.2	5.7	10.3	24.2	8.3	1.4	3.0
1945 Totals	212,386,903	200,161,551	56.4	47.2	-3.6	10.4	24.9	7.7	1.3	2.9
1946 Totals	292,079,487	261,388,308	64.4	47.8	-12.2	11.2	24.5	7.6	1.6	2.9
1947 Totals	383,593,986	347,455,921	55.4	45.8	-1.2	9.9	24.3	7.1	1.5	3.0
1948 Totals	445,872,197	416,951,566	52.0	44.4	3.6	9.6	23.6	6.7	1.4	3.1

MUTUAL COMPANIES

Amalgamated	448,934	444,234	62.6	40.1	-2.7	27.6	...	9.8	.7	2.0
American Mut. Liab.	7,463,902	6,981,642	55.7	30.9	13.4	6.5	15.4	6.8	.7	1.5
Atlantic Mutual	753,079	753,692	42.3	42.4	15.3	8.9	15.9	13.6	.4	3.6
Coal Merchants	501,617	482,735	62.4	41.5	-3.9	16.9	14.1	3.3	1.2	6.0
Cosmopolitan	472,006	383,711	48.6	44.6	6.8	11.1	11.8	13.0	3.0	5.7
Electric Mut. Liab.	130,731	128,964	22.6	14.6	62.8	11.3	1	1.1	.2	1.9
Empire Mutual Cas.	1,752,443	1,840,377	70.9	20.4	8.7	9.6	3.8	3.0	.4	3.6
Employers Mut. Liab.	5,485,808	5,574,392	48.7	32.4	18.9	9.0	16.4	2.5	1.7	2.8
Exchange Mutual	486,373	479,561	64.5	32.8	2.7	7.7	14.0	5.2	1.6	4.3
Factory Mut. Liab.	3,038,927	2,874,760	37.0	26.6	36.4	5.7	.1	17.8	.5	2.5
Farm Bu. Mu. Auto	11,346,745	10,510,754	58.6	40.8	.6	10.2	13.4	13.8	1.1	2.3
Hardware Mut. Cas.	8,850,453	8,502,706	43.4	30.5	26.1	7.1	14.4	6.1	.6	2.3
Ideal Mutual	335,757	333,965	57.5	25.1	17.4	19.7	.1	2.1	.2	3.0
Interboro	1,035,196	1,010,447	58.7	31.7	9.6	17.5	3.0	6.1	.6	4.5
Jamestown	802,344	769,370	48.6	46.2	5.2	17.8	13.4	7.6	1.5	5.9
Liberty Mutual	18,131,429	17,116,872	54.9	31.9	13.2	11.7	11.7	3.6	2.4	2.5
Lumber Mutual Cas.	444,016	444,016	49.9	36.5	13.6	12.5	11.3	10.5	.3	1.9
Lumbermen's Mut. Cas., Ill.	20,951,038	19,669,673	50.1	24.3	25.6	6.5	7.8	5.4	2.0	2.6
Manhattan	3,195,218	3,194,192	73.2	32.2	-5.4	13.3	10.7	3.8	2.2	2.2
Merchants	3,090,297	3,141,985	61.6	24.7	13.7	17.1	-13.5	12.6	1.6	6.9
Michigan	3,342,098	3,004,300	68.4	36.0	-4.4	10.6	15.6	7.6	1.0	1.2
Nat. Grange	2,871,200	2,667,996	43.7	37.5	13.8	8.7	17.2	8.0	.2	3.4
N. Y. Printers & Bookbind.	27,259	25,574	98.9	35.5	-34.4	22.5	-6	6.8	1.1	5.7
Pa. Threshermen	3,560,722	3,181,467	42.7	40.7	16.6	8.9	23.1	6.5	1.7	1.7
Public Service	1,664,175	1,620,947	53.2	37.8	8.9	13.0	10.9	7.3	1.2	5.4
Security Mut. Cas.	485,152	458,971	85.6	26.0	-11.6	6.8	14.4	3.7	.1	1.0
Security Taxpayers	115,560	39,685	46.1	65.6	-11.7	13.0	9.7	37.5	1.3	4.1
Utica Mutual	5,726,205	5,306,500	38.9	34.1	27.0	6.8	16.6	6.0	1.0	3.7
1944 Totals	44,310,247	43,382,305	39.5	34.8	25.7	9.5	14.4	7.4	1.2	2.3
1945 Totals	50,177,952	47,340,484	50.4	34.8	14.8	10.4	13.9	7.2	1.0	2.3
1946 Totals	66,344,453	60,670,444	56.8	34.8	8.4	10.3	13.9	7.3	1.1	2.2
1947 Totals	88,076,261	81,511,357	56.4	34.0	9.6	9.4	13.8	7.0	1.1	2.7
1948 Totals	106,430,684	100,929,855	51.5	34.2	14.3	9.6	13.9	6.8	1.2	2.7

†Include writings of Atlantic Mutual and Atlantic Mutual Indemnity.

(CONTINUED ON PAGE 30)

WOLVERINE INSURANCE COMPANY

OUR CLAIM SERVICE IS "TOPS" TO OUR POLICYHOLDERS AND AGENTS.

LANSING, MICHIGAN

CHANGES

McCarthy, Lewis Promoted on Coast by Hartford A. & I.

Sheridan J. McCarthy and Trevor R. Lewis of the Pacific department of Hartford Accident, have been advanced to assistant superintendents of the fidelity and surety department.

Mr. McCarthy is a graduate of the University of Minnesota. He joined Hartford in 1945 after service as a lieutenant in the navy air corps. He has specialized in production of fidelity and surety bonds in the office and field.

Mr. Lewis started with Hartford in 1947 after several years in the insurance business in the San Francisco bay area.

McClellan Coast Claims Head for United National

Melvin W. McClellan has been named superintendent of claims for United National Indemnity in the Pacific department at San Francisco. He succeeds George F. Hills, who is entering the local agency business at Cleveland.

Mr. McClellan started with Employers at San Francisco in 1931 in the claims department, and later was with Royal Indemnity in California and Washington. Most recently he has been assistant claims manager for Hartford Accident at San Francisco.

A. J. Polarek in New Post

Andrew J. Polarek has joined Manufacturers Casualty at Chicago as field representative. He has been with Hartford Accident and before that was with Globe Indemnity and Continental. Most of his experience has been in underwriting, particularly liability and burglary. He is a graduate of University of Chicago and had a distinguished war record. He is a director of South Chicago YMCA.

Wight to Employers Cas.

Talbot Wight has joined Employers Casualty at Dallas as claims supervisor. Mr. Wight formerly was with Western Casualty and General of Seattle. For a number of years he was Kansas City manager for Bituminous Casualty. He is a navy veteran.

Denning to Providence

William J. Denning, Jr., former Buffalo district claim manager of American Mutual Liability, has been transferred to Providence in the same capacity. He was president of Buffalo Casualty Insurance Claim Managers Council.

All Tax to Police Pensions

A bill assigning all of Pennsylvania's 2% tax on out-of-state casualty premiums to police pension funds, starting June 1, 1950, has been signed by Gov. Duff. Previously the pension system received only half the tax, which averages \$1,400,000 a year.

Tenn. Bars Discrimination

NASHVILLE—Commissioner M. O. Allen has issued a requirement that all companies writing liability in Tennessee to give written assurance that there will be no discrimination by the company, its agents or employees as to race, creed or color. The commissioner also is calling agents' attention to the assigned risk plan effective July 1.

DeMar Opens Own Law Office

Durward DeMar, who for five years has been with the Miami law firm of Dixon, DeJarnette & Bradford, has opened his own law offices at Ft. Lauderdale. Mr. DeMar for more than 20 years has handled casualty and surety losses for Maryland Casualty, London Guarantee, and New Amsterdam Casualty.

Underinsured Fidelity Losses Are Listed

(CONTINUED FROM PAGE 20)

Business	Position	Loss	Amount of Bond	Insured's Loss
Bank	Cashier and Assistant	88,830	65,000	23,830
Bank	Junior Officer	128,000	20,000	108,000
Bank	Manager	500,000	400,000	100,000
Textile Wholesaler	Bookkeeper	3,500	2,000	1,500
Lumber & Coal Dealer	Bookkeeper	70,000	1,800	68,200
Fraternal Organization	Financial Secretary	12,000	1,000	11,000
Bank	Bookkeeper	124,000	15,000	109,000
Realty Management	Building Supt.	1,700	1,000	700
Auto Dealer	Bookkeeper	17,000	2,500	14,500
Building & Loan Assn.	Secretary-Treasurer	49,000	10,000	39,000
Grain Dealer	Several Employees	39,000	7,500	31,500
Ladies' Apparel Mfr.	Truck Driver & Ship. Clk.	40,000	25,000	15,000
Supermarket	Bookkeeper	25,000	10,000	15,000
Farm	Manager	12,000	10,000	2,000
Egg & Produce Co.	Buyer	20,000	10,000	10,000
Unidentified	Public Official	7,271	4,000	3,271
Finance Corporation	Treasurer-Manager	12,250	5,000	7,250
County Treas. Office	Public Official	73,670	10,000	63,670
Railroad Warehouse	Watchman	9,393	2,500	6,893
Pumping & Heating Co.	Manager	3,966	1,000	2,966
Credit Union	Assistant Treasurer	8,342	2,000	6,342
Storage Warehouse	Foreman	5,000	1,500	3,500
	Bookkeeper	4,300	1,500	2,800
Liquor Co.	Manager and Salesman	14,500	2,000	12,500
Furniture Dealer	Warehouse Manager	75,000	15,000	60,000
Moving & Storage Co.	Clerk	3,906	2,000	1,906
Jewelry Co.	Porter	30,000	5,000	25,000
Utility	District Manager	40,000	10,000	30,000
Transfer Co.	Cashier	27,000	10,000	17,000
Restaurant	Manager	11,000	5,000	6,000
Transfer Company	Credit Manager	28,000	10,000	18,000
Grain Elevator	Manager	22,000	10,000	12,000
Auto Accessories	Bookkeeper	21,000	5,000	16,000
Paper Company	Salesman	32,000	10,000	22,000
Real Estate	Bookkeeper	17,200	10,000	7,200
Auto Sales Agency	Office Manager	9,500	5,000	4,500
Electrical Appliances	Office Manager	15,400	10,000	5,400
Restaurant	Secretary-Treasurer	7,900	5,000	2,900
Hotel	Auditor	8,200	5,000	3,200
Private Club	Treasurer	15,000	1,000	14,000
State Normal School	Bookkeeper	25,000	1,250	23,750
Meat Packer	Cashier	10,000	5,000	5,000
	Payroll Master	25,000	5,000	20,000
Insurance Company	Branch Manager	110,000	25,000	85,000
Hotel	Bookkeeper	30,000	5,000	25,000
Department Store	Bookkeeper	15,000	10,000	5,000
Bank	Bookkeeper	110,000	25,000	85,000
Realty Firm	Bookkeeper	10,900	5,000	5,900
Men's Furnishings	Branch Manager	3,172	1,818	1,354
Department Store	Auditor	386,000	300,000	86,000
Office Equipment Mfr.	Secretary	37,575	10,000	27,575
Bottling Company	Manager	40,000	10,000	30,000
Grain Elevator		2,822	2,500	322
Farm Implements Mfr.	Manager	7,977	2,000	5,977
Contractor	Timekeeper	7,917	2,500	5,417
Fraternal Organization	Grand Trustee	17,610	5,000	12,610
Grain Elevator	Manager	7,563	2,500	5,063
Insurance Company	Agent	1,346	1,000	346
Insurance Company	Cashier	19,902	5,000	14,902
Insurance Company	Agent	3,000	1,000	2,000
Insurance Company	Bookkeeper	6,835	2,000	4,835
Insurance Company	Agent	4,823	1,000	3,823
Labor Union	President	1,415	1,000	415
Labor Union	Financial Secretary	2,482	1,000	1,482
Paint & Wallpaper Store	Bookkeeper-Cashier	5,273	5,000	273
Private Banker	Treasurer	155,208	50,000	105,208
Property Management	Office Manager	18,534	10,000	8,534
Public Utility	Cashier	8,140	5,000	3,140
Small Loan Company	Office Mgr.-Cashier	18,287	15,000	3,287
Social Club	Treasurer	1,148	1,000	148
Amusement Park	Bookkeeper	13,000	10,000	3,000
Oxygen Company	Cashier	7,800	5,000	2,800
Clothing Company	Salesman	2,100	1,000	1,100
Social Society	Officer	1,600	1,000	600
Bank	Vi-P. and Gen. Counsel	630,000	200,000	430,000
Retail Clothing	Bookkeeper	7,400	5,000	2,400
Retail Store	Office Manager	12,700	2,500	10,200
Fraternal Order	Secretary	10,000	6,000	4,000
Oil Company	Manager	2,400	1,000	1,400
Mortgage Company	Manager	21,000	3,000	18,000
Finance Company	Cashier-Auditor	213,407	89,249	124,158
Armored Truck Service	Driver and Guard	10,204	2,500	7,704
Athletic Club	Bookkeeper-Cashier	30,000	10,000	20,000
Credit Union	Treasurer	22,000	10,000	12,000
Ship Company	Plant Manager	8,132	2,500	5,632
Finance Company	Manager	22,343	5,000	17,343
Restaurant	Unidentified Employee	9,000	5,000	4,000
Public Library	Treasurer	16,929	10,000	6,929
Bank	Cashier	86,000	25,000	61,000
Liquor Distributor	Salesman and Cashier	91,000	25,000	66,000
Tool Manufacturer	Two Officers	250,000	5,000	245,000
Wholesale Grocer	Salesman	4,800	2,500	2,300
Mill Supply	Office Manager	12,000	2,000	10,000
Auto Dealer	Manager	45,000	25,000	20,000
Auto Dealer	Office Manager	32,000	2,000	30,000
Hotel	Office Manager	30,000	2,500	27,500
Oil Company	Field Supt.	57,000	10,000	47,000
Oil Company	Commission Agent	10,000	1,000	9,000
Laundry	Cashier	4,500	2,500	2,000
Wholesale Furniture	Treasurer	72,735	20,000	52,735
Men's Store	Clerk	1,838	1,000	838
Bank	Teller	110,000	75,000	35,000
Retail Grocery	Bookkeeper	20,000	2,000	18,000
Toys & Furniture	Bookkeeper	34,150	2,500	31,650
Wholesale Fish	Shipper	6,640	2,500	4,140
Adhesive Mfrs.	Truck Drivers	21,503	2,500	19,003



Are your clients only PARTLY-COVERED

against power-equipment failure?

The worm's predicament may seem funny. Yet how many of your clients are only partly-covered—with boiler insurance alone? Or with boiler and machinery insurance but with no Use and Occupancy coverage? Accidents to boiler and machinery units cost owners of factories, laundries, hotels and dairies substantial sums every year.

Your clients will appreciate your foresight in checking with them on their needs from time to time. They may have bought new equipment or

restored old units to work. Make sure that they have adequate insurance protection—plus inspections by specialists.

The Special Agent of Hartford Steam Boiler has the required knowledge and experience to aid you in selling and servicing this added protection. He will be glad to work with you in getting a sales plan under way. You'll find his help profitable—to you and to your clients.



The Hartford Steam Boiler Inspection and Insurance Company
HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE. IT PAYS TO CHOOSE THE LEADER

Jury Awards \$260,000

A jury in the Dade county, Fla., circuit court has awarded a judgment of \$260,000 in Watson vs. Florida Power & Light Co. In a day of big judgments, this is a whopper. The case is being appealed.

Watson was an employee of the local gas company working a piece of equipment called a roustabout equipped with large boom. The equipment came in

contact with the guy wire belonging to the utility, the boom jackknifed and seriously injured Watson about the pelvic region. Testimony was that this cost him among other things the loss of his sexual powers.

Gordon Promoted by F. & C.

Royal E. Gordon, who has been special agent in Kansas for Fidelity & Casualty, has been transferred to Kansas City as agency supervisor.

(CONTINUED FROM PAGE 28)
REINSURANCE COMPANIES

	Underwriting Ratios				Expense Analysis					
	Net Premiums written	earned	Losses incurred to earned	Exp. (adj.)	Net gain (adj.)	Claim exp. to earned	Acq. & fid. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
American Reins.	2,681,466	2,500,005	144.5	24.3	-68.8	5.0	17.3	5.4	2.3	1.4
Employers Reins.	11,600,424	12,192,354	67.7	45.7	-13.4	3.6	37.5	1.9	.3	1.0
European Gen. Reins.	6,322,825	7,694,011	74.7	52.8	-27.5	4.7	48.2	.7	.1	.2
Excess	890,451	892,739	37.4	40.4	-22.2	6.6	29.1	6.0	...	.6
General Reins.	6,013,485	5,608,157	76.6	44.7	-21.3	3	33.8	2.6	.1	1.6
North Am. C. & S. Re.	606,411	774,668	52.2	52.1	-4.3	5.2	51.1	.5	...	.2
1944 Totals	9,076,103	8,859,747	51.5	49.5	-1.0	5.4	39.5	3.3	.2	1.3
1945 Totals	10,395,684	9,738,154	59.1	49.9	-9.0	5.4	38.8	4.0	.2	1.5
1946 Totals	17,113,248	18,339,479	67.6	48.1	-15.7	4.7	38.2	3.8	.2	1.2
1947 Totals	22,358,703	20,235,044	71.8	47.0	-18.8	4.4	38.6	2.9	.2	.9
1948 Totals	28,115,062	29,661,934	76.4	44.7	-21.1	4.4	37.2	2.1	.1	.9

(CONTINUED ON NEXT PAGE)

North Salt Lake President

Salt Lake City Assn. of Insurance Agents has elected as president L. A. North, Ed D. Smith & Sons, succeeding M. A. Keyser, Jr., Keyser Realty & In-

urance Agency; vice-president, Fred S. Thomas, Capitol Agency; secretary, Harold Tornquist, Pioneer Agency. Commissioner Terry and Deputy Commissioner Timmerman spoke briefly on department matters.

BUCKEYE UNION

means

two strong companies

...strong in their belief in the American Agency System

...strong in prompt settlement of claims

...strong in field service to agents

THE BUCKEYE UNION CASUALTY CO.

Automobile—General Liability—Burglary—Plate Glass
Fidelity and Surety

THE BUCKEYE UNION FIRE INS. CO.

Fire—Allied Lines—Inland Marine

Capital Stock Insurance Companies operating in Ohio,
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& Inspections.

Audits of Burglary & Bond losses.

Audits for reinsurance companies
of payrolls, claims, etc.Inland Marine Audits & Inspec-
tions.Audits of Cargo Motor Lines to
determine financial responsibil-
ity and outstanding claims.

ATWELL, VOGEL & STERLING, INC.

60 John Street, New York—Whitehall 4-3477

A-1855 Insurance Exchange, Chicago—9 Clinton St., Newark—

369 Pine St., San Francisco

18 other offices providing nationwide service.

SURETY

Manager Turns Insurer,
Fidelity Loss \$35,000

A fidelity loss that is currently being processed involves the branch manager of an insurance company that is owned by a finance institution. It developed that this manager had collected about \$90,000 in premiums on policies that were in his possession without reporting the transactions or remitting to the insurer. The company that had the fidelity bond has agreed to reimburse the insurer for the losses that it sustains under these policies but not to pay the premiums that the insurer did not receive. Inasmuch as the loss ratio on the business of this branch had been running about 40%, the loss is reserved at about \$35,000.

Big Alaska Contract Let

Morrison-Knudsen Co., Peter Kiewit Sons Co., and S. Birch & Sons of Seattle were jointly awarded the contract by the Department of the Interior at their bid of \$5,436,036 for highway and railroad construction work from Indian to Potter, Alaska. Fidelity & Deposit, Aetna Casualty and Continental Casualty will execute the bond for the successful bidders in the order named.

Sheriff and Surety Win

The Montana supreme court has given a decision absolving Sheriff McLeod of Silver Bow county of civil liabilities in the 1946 riots at Butte. Standard Accident, surety for the sheriff, was also a defendant and thus escapes liability. Suit was brought by certain property owners for some \$20,000 damages for failure of McLeod to suppress the rioters. The court said that it could find no case where civil action has been sustained against a sheriff for his default or misbehavior as conservator of the peace, by those who have suffered injury to their property or persons through the violence of mobs, riots or insurrections.

Ballerene Eastern Head

Louis F. Ballerene has been appointed manager of the eastern surety department of Continental Casualty. He was with Fidelity & Casualty about 20 years and more recently has been a contract bond underwriter. George McGovern has been promoted to chief underwriter in that department.

F.&D. Originates Big Bond

Fidelity & Deposit is the originating company on a \$2½ million payment bond and a \$2½ million performance bond in connection with the construction of a veterans hospital at Madison, Wis. The contract was awarded to Gus K. Newberg Construction Co. of Chicago on its bid of \$7,111,000. The business is being handled through the Chicago office of F. & D.

Chicago Golf Outing June 16

Surety Underwriters Assn. of Chicago will conduct its spring golf outing June 16 at Tam O'Shanter Country Club. Jack Thorne, National Surety;

Jack Phelan, Maryland Casualty, and R. W. Fuerman, Fidelity & Deposit, are in charge of arrangements.

ACCIDENT

A. & H. Members of
L.I.A.M.A. Plan
Annual Meeting

The A. & H. committee of Life Insurance Agency Management Assn. meeting at Chicago decided to call the inaugural annual conference of the 43 member companies writing A. & H. on April 27-29, 1950, at the Edgewater Beach hotel in Chicago. The meeting will be devoted to agency problems along the lines now pursued at meetings of the combination and small company groups of the L.I.A.M.A.

The committee proposed that L.I.A.M.A. complete a survey of the types of A. & H. being purchased and the characteristics of buyers of this insurance. The survey would provide agency officers with vital information. A sample for the survey will be taken in September.

The committee also recommended that the association add to its library of A. & H. subjects sales training and sales promotion material.

Postpone Anti-Trust Suit
Against Ore. Physicians

U. S. District Judge McColloch has postponed until the fall term of court, the U. S. government suit against Oregon State Medical Society and Oregon Physician's Service, eight affiliated medical societies and eight individual Oregon physicians on charges of conspiring to restrain and monopolize prepaid medical care plans through the state plan which has existed since 1942. Herbert A. Bergson, head of the federal government's anti-trust division, was in Seattle for the preliminary hearing, at which hundreds of documents were introduced as evidence, making it impossible for the trial to take place on June 7 as originally scheduled because of the difficulty in identifying and marking the evidence. Mr. Bergson commented that a victory for the government might result in other organizations voluntarily altering their programs and thus making further suits unnecessary.

Casualty & Surety Club of New York will hold its annual golf tournament at

WANT ADS

WANTED

LAWYER—30-35, personable, with some trial and casualty claim experience, initiative, administrative ability and capacity for large volume of work, to prepare negligence cases for trial, take depositions, attend pre-trial conferences, negotiate settlements and do some trial work. Must be capable of working without full supervision. Salary open. Write giving full details. WYATT JACOBS, 221 N. La Salle St., Chicago, Illinois.

WANTED
ACCIDENT & HEALTH UNDERWRITER

Branch office of large casualty company desires an experienced accident and health underwriter for Chicago office. Excellent opportunity for advancement. Address U-58, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT—WANTED

To develop Alabama, Georgia and South Carolina for a small, aggressive specialty company writing workmen's compensation and general public liability. Unusual opportunity for permanent association and advancement. In reply state complete experience record and personal history. Address U-64, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

the Rockville, L. I., Country Club
June 28.

MacNeille Hunterdon President
The new president of the Hunterdon County (N. J.) Insurance Agents Assn. is John R. MacNeille, Whitehouse. He succeeds George R. Parker, Sr., of Flemington. The new vice-president is Charles Geist, High Bridge; Henry Lubben, Flemington, is secretary-treasurer. Speaker at the meeting was Charles Unger, executive secretary of the state association.

Fraser Atlanta President
New officers of Atlanta Assn. of A. & H. Underwriters are: President, Richard P. Fraser, Reliance Life; first vice-president, Vince Anderson, Mutual Benefit H. & A.; second vice-president, H. E. Smith, Provident Life & Accident; secretary, T. E. Barton, Hooper-Holmes Bureau.

Fairbanks to Home Office
Wayne Fairbanks, who has been an agent at Santa Monica, Cal., for nearly two years, has been promoted to assistant superintendent of office accounts at the home office of Unity Mutual Life & Accident.

Fitting Heads Premier
F. O. Fitting is president and L. C. Miller is secretary and treasurer of the recently organized Premier Ins. Co. which is located in First Avenue building, Rochester, Minn. This is a stock company. It has taken over the business of Premier Mutual Fire, which began business in 1938. Premier Mutual in 1948 reported assets of \$122,123, guaranty fund of \$96,180, surplus minus \$31,123, surplus to policyholders \$65,056, premium income \$115,344.

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of nearly
every
kind...

liability
property damage
fire and windstorm
fidelity and
others

BOWES

Insurance

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(CONT'D FROM PRECEDING PAGE)
Auto Property Damage Aggregates

	Net Premiums		Underwriting Ratios		Claim exp. to earned	Expense Analysis			
	written	earned	Incurred to earned	Exp. (adj.)		Acq. & fd. sup. to written	Gen. adm. to earned	Insp. & bur. to earned	Taxes & fees to written
			%	%	%	%	%	%	%
STOCK COMPANIES									
1944	65,322,135	65,280,301	57.3	52.0	13.2	26.9	8.1	.9	2.9
1945	76,381,781	72,222,206	73.5	53.1	14.8	26.6	7.9	1.0	2.8
1946	110,416,731	95,133,014	80.6	54.7	16.1	26.3	8.2	1.4	2.7
1947	167,668,711	143,129,054	67.9	50.7	13.0	26.1	7.6	1.3	2.7
1948	209,340,563	191,744,709	59.0	48.1	11.5	25.6	6.9	1.2	2.9
MUTUAL COMPANIES									
1944	15,973,402	15,669,974	50.0	36.8	13.2	15.1	7.5	1.0	2.2
1945	18,051,395	17,102,671	67.0	38.3	13.7	14.3	7.2	.9	2.2
1946	25,469,610	22,722,453	72.4	41.5	15.4	14.7	8.4	1.0	2.0
1947	38,331,620	34,226,228	62.8	39.0	13.1	14.7	7.8	1.0	2.4
1948	49,166,926	45,974,080	59.4	37.9	12.5	14.7	7.4	.9	2.4
REINSURANCE COMPANIES									
1944	1,166,235	1,161,119	36.3	55.8	7.9	46.7	2.2	.1	.7
1945	1,503,999	1,332,742	46.0	51.2	6.2	41.2	2.9	.1	.8
1946	2,913,092	2,140,892	50.4	49.7	6.1	40.5	2.5	.1	.5
1947	3,219,794	3,340,412	43.3	49.3	7.4	40.6	2.6	.1	.9
1948	3,910,773	4,158,907	33.5	45.0	21.5	4.8	37.4	2.0	.7

Industry Confers with N. Y. on New Disability Law

NEW YORK—Almost 150 attended the conference on New York's non-occupational disability law, which becomes effective July 1, 1950, at the New York insurance department, in a hearing designed to hold comfortably about 75. A. J. Bohlinger, deputy superintendent, and Miss Mary Donlon, chairman, New York Compensation Board, jointly presided.

The meeting explored some of the problems which the industry and the state would like to have reasonably well settled before the big rush of employers to comply with the law occurs at the deadline next year. What form or forms of coverage shall be used and what statistical data shall be accumulated, and how.

All phases of the business were well represented—life and casualty, stock and mutual, brokers and upstate agents. The idea is to form industry working committees to fashion advisory forms and statistical plans. Considerable responsi-

bility rests on the industry and the insurance and labor departments to make the program successful. If it were to fail, of course, there would be wide repercussions.

Herbert N. Parker, former New Orleans senior sales representative of American Mutual Liability, has been

appointed branch sales manager at Shreveport.

S. F. Group to Hear Attorney

Reed Crites, San Francisco attorney, will address the June 15 meeting of the San Francisco A. & H. Underwriters Assn. on insurance legislation.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Quincy Agency Holds Session for 85 Buyers

The J. M. Winters & Sons agency of Quincy, Ill., conducted a meeting for insurance buyers that was attended by about 85. Dr. Robert I. Mehr, insurance professor at University of Illinois, gave a talk on the trend toward comprehensive insurance. McCullough Winters was the host.



McCullough Winters

C. H. Metzner, who is currently doing research work for Western Underwriters Assn., spoke on business interruption insurance; U. M. Lelli, Chicago, secretary of Phoenix of Hartford, spoke on the inland coverages and accounts receivable; F. J. McCarthy, New York, chief underwriter for National Surety, spoke on comprehensive liability, and Earl Treffry, superintendent of agents of Employers Liability, spoke on the 3-D policy.

Talk on Garage Liability

Garage liability and garage-keepers' liability will be explained at a meeting of the Park Regional Agents Assn. at Walker, Minn., June 17, by James H. Otis, superintendent of agents of St. Paul office of Hartford Accident and W.W. Foster of Aetna Fire at Minneapolis. C. R. Hewitt of Dorset is president of the regional.

On June 6 at Chippewa Falls, Wis., Mr. Otis will speak to the State Assn. of Bowling Alley Managers on insurance coverage for bowling alleys. Emphasis will be placed on the need for comprehensive coverage in all lines at high limits of liability. Mention will also be made of the value of cooperating with safety engineers to the end that there may be a minimum of injured employees or patrons.

Form New Prevention Group

MADISON, WIS. — Ambrose T. Yehle, Superior agent, has been elected chairman of the new Wisconsin State Fire Prevention Advisory Committee organized at a meeting here. I. F. Stutz, fire prevention division Wisconsin industrial commission, was named secretary. Voyta Wrabetz, commission chairman, was temporary chairman of the organization meeting, with the industrial commission, P.T.A. groups, state conservation department, State Fire Chiefs Assn., Wisconsin Assn. of Insurance Agents, 4-H Clubs, state chamber of commerce, League of Wisconsin Municipalities and other fire prevention, civic and industrial organizations represented. Mr. Yehle is chairman of the fire prevention committee of the agents association.

Hail School at Des Moines

About 250 field men, adjusters and hail department managers from 10 midwestern states attended a two-day hail adjusters school at Des Moines, sponsored by Western Hail & Adjustment Assn.

A general meeting was held the first day, with a banquet in the evening. The second day individual meetings were held by the various companies participating.

Thomas R. Tadlock, general adjuster at Kansas City, is quitting business July 1. He will announce his future intentions in the early fall.

Agents and Field Men Inspect Minneapolis

MINNEAPOLIS—About 100 local agents and field men joined forces this week to give Minneapolis the most thorough fire hazard inspection in nearly 20 years. Participating were members of Minnesota Fire Prevention Assn., Insurance Agents Assn. of Minneapolis and Insurance Club of Minneapolis.

The inspection was the aftermath of a series of costly fires that brought criticism from insurance men. The situation was given an airing at a meeting of the fire prevention committee of the city council at which insurance people were blamed for not doing more to correct fire hazards. Thereupon the insurance men offered their services in giving the city a thorough inspection and the offer was accepted.

Only the mercantile and high valued districts were inspected this week with a spot check on a few of the more important outlying areas. It was realized that a complete inspection of such a large city could not be made in a single week. At a luncheon June 10 a report on the inspection will be made. The luncheon is sponsored by Minneapolis Junior Chamber of Commerce. It will also be the quarterly meeting of Insurance Agents Assn. of Minneapolis.

SOUTH

10-15% Fire Rate Cuts in Florida

Fire insurance rate reductions become effective in Florida July 1, the announcement having been made by Commissioner Larson. He estimates that this will produce premium savings of more than \$1 million. There is a 10% reduction on churches and 15% on mercantile and office buildings, banks, telephone exchanges, printing establishments and contents, hotels, boarding houses and clubs, including contents, public buildings except schools, and contents.

There is no reduction on risks of fire resistive construction nor sprinklered risks.

N. W. Mutual Fire Holds Southern Conference

Northwestern Mutual Fire held a conference for its southern division field men at Raleigh, N. C., with Vice-president J. M. Battle as chairman. All phases of field work, inspection of claims and underwriting were covered with talks and panel discussions. Among the speakers were W. W. Hathaway, southwestern manager, and John E. Phalon, chief underwriter Improved Risk Mutuals.

Other company officials attending were President L. D. Brill, Vice-president J. W. Pritchett and Assistant Vice president H. D. Heath, eastern claims manager at Chicago.

Ready N.C. School Insurance

RALEIGH—The North Carolina board of education, meeting here prepared for the inauguration of a state insurance system for public schools and appointed Joseph G. McCracken, superintendent of schools at Elizabeth City, as director of its new division of insurance. The system was authorized by the last session of the legislature.

Participation in the plan is left to the city and country boards, who may con-

tinue to insure with private companies. Those participating must insure buildings at 75% of their value. Rates have been set at 90% of those prior to the 25% increase. Included in the budget which was adopted are provisions for the employment of a supervisor of inspections.

Partridge Heads New Braniff Local Agency at Dallas

Leslie A. Partridge has resigned as assistant manager of American Aviation Underwriters, managed by Cravens, Dargan & Co., to become manager of the T. E. Braniff Co., local agency at Dallas. The brokerage business heretofore carried on by the agency at Oklahoma City will be consolidated with the new local agency at Dallas. The general agency operated under the name of the T. E. Braniff Co. will continue to be operated at Oklahoma City, where it was organized over 47 years ago. It is now the oldest agency there.

Mr. Partridge formerly was underwriter at New York of Fireman's Fund Indemnity and was eastern manager of Aero Insurance Underwriters. In 1945 he joined Cravens, Dargan & Co. in charge of its aviation business. The new agency will specialize in aviation insurance but will also be actively engaged in the local life, fire, casualty, and bond business.

Okla. School Big Success

OKLAHOMA CITY—The first annual insurance school sponsored by Oklahoma Assn. of Insurance Agents, held May 30-June 1, was so successful that it is firmly established on a permanent basis, according to Dave R. McKown, president. Enrollment for regular attendance was 88 with "in and out" students registered bringing the total to more than 100. The general theme was "Agency Management" with special sessions devoted to agency ownership and office management, followed by an evening sales forum with Phil Viles, executive committee member, presiding. It featured nationally known speakers on how to sell farm, marine, farmers comprehensive liability and fidelity coverages.

The school closed with examinations and awarding of certificates, by Richard E. Farrer, C.P.C.U., director of education of N.A.I.A. M. B. Breeding was director of the school.

New G.A.B. Fla. Office

General Adjustment Bureau has opened a new office at Panama City, Fla., with Harvey T. Cotton, Jr., formerly senior adjuster at Pensacola, as adjuster in charge. He has been with G.A.B. since 1940.

J. M. Trolin has been promoted from adjuster in charge to branch manager at Gainesville, Fla.

Shepherd Gets Quaker City

Alvin Shepherd of New Orleans has been named general agent in Louisiana and Mississippi for Quaker City F. & M. Mr. Shepherd has been a general agent since 1937. He is a past most loyal gander of the Louisiana Blue Goose.

Arey Renamed President

SOUTHERN PINES, N. C.—J. D. Arey, Jr., of Aberdeen was reelected president of Moore County Assn. of Insurance Agents at a meeting here. Mrs. Evelyn H. Pleasants, Aberdeen, is vice-president; Theo. Berg, secretary.

Thomas H. Broughton, local agent, at Lenoir, N. C., has been installed as commander of the American Legion there.

COAST

Phoenix-London Group Makes Northwest Change

W. L. Harnan, northwest supervisor at Seattle for Phoenix of London group, is being retired June 30. Arthur F. Hansen, special agent for casualty lines the past year, will handle fire lines as well for the state of Washington.

Mr. Harnan is one of the veteran field men in the Pacific Northwest. He was born in Montana in 1884 and is a graduate of Stanford University. He was in engineering work outside of insurance early in his career and entered the business in 1911 with Pacific Board at Butte. He left the board in 1916 to become special agent of Springfield in Montana, was transferred to Portland in 1919 and to San Francisco in 1923 as superintendent of the service department.

In 1924, Mr. Harnan went with L. & L. & G., opening its special hazard department for Oregon, Washington and Idaho at Seattle. He went with Phoenix Assurance as special agent for Washington in 1926 and Oregon was added to his field in 1931. He was appointed northwest supervisor in 1947.

Mr. Hansen started in with Washington Insurance Examining Bureau's automobile department, entered the army in 1941 and on his return joined Swett & Crawford's casualty department at Seattle, leaving something over a year ago to go with Phoenix.

Gleason to Kirschner & Co.

Ralph J. Gleason, fire insurance editor of "Underwriters' Report" of San Francisco, has joined the copy-writing staff of Kirschner & Co., San Francisco insurance advertising agency.

Mr. Gleason has served as trade news editor of American Broadcasting System, trade news editor of Columbia Broadcasting System and as a member of the news staff of "Printers' Ink," all in New York. During the war, he was news and picture editor for the office of war information in New York, Lisbon and London.

Katz Joins Grain Dealers

Don V. Katz of Pueblo, Colo., has joined Grain Dealers National Mutual Fire as special agent for Colorado, Wyoming, western Nebraska and western Kansas. He takes the place of George L. Winders, who has resigned to enter the agency business.

EAST

Membership Drive in N. J.

NEWARK—The membership committee of New Jersey Assn. of Insurance Agents has started a membership drive with a goal of 1,500 members before the end of its fiscal year in September.

Essex County Dinner June 9

Essex County Insurance Agents Assn. will hold a dinner-meeting at East Orange, N. J., on June 9.

The Tate-Taylor agency, Closter, N. J., was presented an engrossed scroll in token of more than 50 years' representation of Fidelity-Phoenix. The presentation was made by Paul Thompson, New Jersey state agent.

Raymond H. Smith of Dexter, N. Y., has purchased the agency of the late E. Ray Eveleigh at Watertown, N. Y. He will continue his office at Dexter.

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At the Sign of the Wren's Nest...

Famous American Homes



Home of
**JOEL CHANDLER
HARRIS**



The house in Atlanta where the creator of Uncle Remus lived for twenty-seven years



TWO WRENS who set up housekeeping in the mailbox gave Joel Chandler Harris's home its name. Rather than disturb the little tenants who returned each year, he once took a distinguished visitor around to the rear entrance.

The man who won world-wide renown for his Uncle Remus stories always insisted that his success was entirely accidental. The "accident" that launched his newspaper career at the age of fourteen was securing a job as printer's devil on *The Countryman*. While setting type he managed to include articles he had written and soon became an acknowledged contributor.

After his marriage he was working on a newspaper in Savannah when a yellow fever epidemic caused the population to flee. At the Atlanta hotel where he took his family he registered as "J. C. Harris, one wife, two bow-legged children, and a bilious nurse." His humor was so cheering to the panic-stricken guests that the hotel refused to render a bill.

Harris and his family remained in Atlanta and in 1876 he went to work for the Constitution where another "accident" occurred. When a staff writer left, his column was assigned to Harris who introduced Uncle Remus, a character of his own invention. The result was a long succession of Uncle Remus fables and songs which were published in book form and to the modest author's amazement, received with wide enthusiasm.

With his profits Harris was able to enlarge the Wren's Nest where he had brought his increasing family some years earlier, but despite his fame he never abandoned his simple habits. Painfully shy and sensitive, Harris was uneasy with strangers, yet his kindness and sense of humor made him beloved. He shunned publicity and when making an appearance with his good friend Mark Twain was too bashful to read his stories aloud. With great difficulty he was per-

suaded to visit President Theodore Roosevelt who later wrote, "All of our family agreed that we had never received in the

White House a pleasanter friend or a man whom we were more delighted to honor."

As a youth, Harris worked in New Orleans for a time but homesickness for Georgia drove him back and he never again left for more than a brief stay.

The Wren's Nest where Joel Chandler Harris lived until his death is today maintained by the Uncle Remus Memorial Association.

* * *

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Uncle Remus was a composite of several real persons



The Tar Baby story is perhaps the best loved

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